

Healey outlines plan to cut pound's role

BY MICHAEL BLANDEN AND PHILIP RAWSTORNE

MR. DENIS HEALEY, the Chancellor, yesterday underlined Britain's intention to reduce the role of sterling as an international reserve currency after the Basle agreement on a safety net for the sterling balances.

SLIDES IN LONDON

STERLING SHOWED little change on balance yesterday, losing only 5 points from its previous close in London to finish at \$1.7085.

FRANCE FREES TERRORIST Israel's envoy recalled from Paris

BY L. DANIEL JERUSALEM, Jan. 11.

ISRAEL REACTED with bitterness to the decision of the French Appeal Court to release Abu Daoud, the Palestinian terrorist.

NEWS SUMMARY

GENERAL BUSINESS

Geneva Equities will be delayed

Equities lose 5; short gilts strong

Chinese heroin gang jailed

Crashes in snow

Defeat on dole

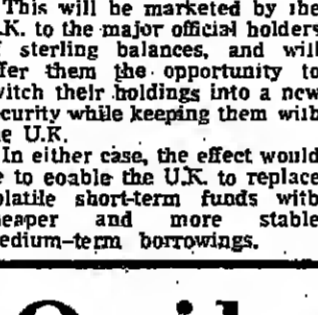
Consumer appeal

25 answer

Defiantly

Companies

Table with 2 columns: Item, Price/Change

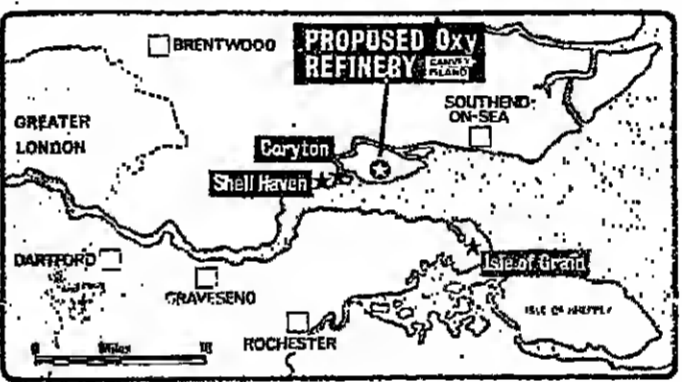


LONDON GOLD PRICE

Occidental plans £240m. refinery at Canvey Island

BY RAY DAFTER IN THE ORKNEYS

THE OCCIDENTAL Group is planning a £240m. refinery on Canvey Island, in the Thames Estuary.



PROPOSED Oxy REFINERY

planned by Occidental would have handled 6m. tons a year and produced largely fuel oil which is now in ample supply.

Civil Service union ends ban on Government statistics

BY DAVID CHURCHILL, LABOUR STAFF

THE BAN on statistical work by civil servants in the Department of Employment, which had caused serious government concern by delaying the preparation of the unemployment figures, was lifted last night after the national executive of the Civil and Public Services Association voted overwhelmingly to suspend the action.

Advertisement for Climax Service Schemes with text 'SERVICE YOUR TRUCK WITH A PAIR OF SCISSORS'

Advertisement for Coventry Climax trucks with contact information and logo

LOMBARD

Tinkering with structure

BY GEOFFREY OWEN

THERE APPEARS to be some revival of interest in the idea of restructuring certain industries as a means of improving their performance. Before any moves are made to push the National Enterprise Board or the Department of Industry in this direction...

Deficiencies

Some useful insights on this are contained in a study of the firm machinery industry, part of a report on the structure of British mechanical engineering which was commissioned by the European Commission...

Entrepreneurs

An interventionist Government likes the idea of structural reform because it provides an opportunity for doing things. The motives are understandable - to create more companies of international stature...

Queen's College among best bets at Towcester-to-day

BY DOMINIC WIGAN

THIS AFTERNOON'S Kelso programme has become yet another victim of the weather - the course being blanketed in snow - but racing looks set for Towcester. Here the two best bets seem to be the Fulke Wolwyn-trained Queen's College and Derek Kent representative The Merrickstar...

Two wins for Britain's skiers

BY ARTHUR SANDLES

THE SKI SLOPES of Europe provided a range of news for racing enthusiasts yesterday. Britain won back the Lowlanders Team Championship from the Dutch at Champ d'Essère...

SNOW REPORTS

Depth State (cm) of Weather. London 41.10 Fair Snow. Newcastle 11.20 Good Snow. Southampton 2.00 Good Snow. Bristol 1.00 Good Snow...

GARDENS TO-DAY

A touch of nostalgia for Jubilee year

BY ROBIN LANE-FOX

PLANNING MY few annual flowers for next summer, I am aware that we face the Royal Jubilee. Whatever royal occasions may do for the morale of the country, they do not do much for the standard of public gardening...

Gentians

King of all edgings, he believes, is the Gentian, in its stems a local form. Few gardeners now would grow more than one or two of its dark blue flowers every year. But Driven gave it a heavy rich soil and used to trample on it in heavy boots every year after it had flowered...

Nuisance

Nobody now thinks of Aubrieta or Arabis Dracunculoides as bedding plants, to be used as ground-cover for dark or white Tulips and then removed to the kitchen garden...

Norfolk population rate slows

NORFOLK'S population is now increasing at a much slower rate than the national average because of the economic climate. County council officials have drawn up a revised structure plan to go before the planning committee next week...

TV/Radio

↑ Indicates programme in black and white. BBC 1: 9.15 a.m. For Schools, Colleges. 10.45 You and Me. 11.00 For Schools, Colleges. 12.45 a.m. News. 1.00 Pebble Mill. 1.45 a.m. News. 2.00 Pebble Mill. 2.45 a.m. News. 3.55 Regional News (except London). 3.55 Play School. 4.20 The Wombles. 4.55 Jackanory. 5.00 Gobel and the Ghoul. 5.00 John Craven's Newsworld. 5.10 The Phoenix and the Carpet. 5.40 News. 5.55 Reporting England. 6.30 Nationwide. 6.45 Holmes and Yofo. 7.10 The Goodies.

F.T. CROSSWORD PUZZLE No. 3277

Crossword puzzle grid with numbers 1-27.

ACROSS: 1 Put by sailor on holiday (4, 4). 2 Tin church student has to scrub (6). 3 Reduce plate in which small car is encased (6). 4 Chinese leader with open secret (6). 5 Gave girl a loan of daffodil (4, 4). 6 Quick job for a parson (6). 7 Walk out on bill and fell (5, 4). 8 More insurance for man in field (3, 5). 9 Beasts' place might suit sheep to a T (6). 10 Going by chair to see Turner at Lords (3, 5). 11 Predatory cat is employer of doctor (6). 12 No 1 tax if suitably backed produces mental blockage (5). 13 Handy guide to future saviour from the sea (2, 4). 14 An old-fashioned dad doesn't say a word (5, 3). 15 Chase for men only (4, 4). 16 Might be sat early in 1976 (4, 4). 17 Cherry gives church more money (6). 18 Mean to swindle New York (6). 19 Walk away at a nail point (6). 20 Cherry gives church more money (6). 21 Mean to swindle New York (6).

WORLD NEWS

11.45 News and Weather for Scotland. NORTHERN IRELAND - 10.25-10.40 For Schools; Ulster in Focus. 3.55-3.55 p.m. Northern Ireland News. 5.55-6.20 Scene Around SL. 11.45 News and Weather for Northern Ireland. ENGLAND - ENGLISH NEWS: 10.45-10.55 Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Nationwide (London); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

LONDON

9.30 a.m. Schools Programmes. 12.00 The Adventures of Rupert Bear. 12.10 p.m. Rainbow. 12.30 The Flintstones. 1.00 News and P.T. Lunch. 1.20 The Flintstones. 1.40 Crown Court. 2.00 Good Afternoon. 2.25 Marcus Welby, MD. 3.20 Rooms. 3.50 Look Familiar. 4.20 How. 4.45 Pop Quiz. 5.15 London Scenes. 5.30 Sportszone. 6.00 Today. 6.35 Crossroads. 7.00 This is Your Life. 7.30 Coronation Street. 8.00 The New Avengers. 9.00 The Streets of San Francisco. 10.00 News. 10.20 Wednesday Special: Football. 11.25 'Don't Be Afraid of the Dark'.

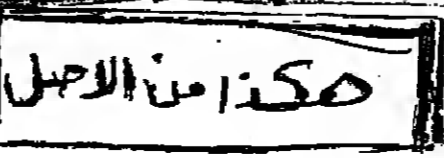
RADIO 1

6.30 a.m. Radio 1. 7.00 Noel Edwards. 7.15 Topical. 7.30 Paul Burnett, including 1.30 a.m. News. 7.45 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 12.00 News.

RADIO 2

6.30 a.m. News Summary. 6.42 Colth Betty. 6.45 including 6.15 Points for Thought. 7.00 Terry Woods. 7.20 Radio 2. 7.30 Radio 2. 7.40 Radio 2. 7.50 Radio 2. 8.00 Radio 2. 8.10 Radio 2. 8.20 Radio 2. 8.30 Radio 2. 8.40 Radio 2. 8.50 Radio 2. 9.00 Radio 2. 9.10 Radio 2. 9.20 Radio 2. 9.30 Radio 2. 9.40 Radio 2. 9.50 Radio 2. 10.00 Radio 2. 10.10 Radio 2. 10.20 Radio 2. 10.30 Radio 2. 10.40 Radio 2. 10.50 Radio 2. 11.00 Radio 2. 11.10 Radio 2. 11.20 Radio 2. 11.30 Radio 2. 11.40 Radio 2. 11.50 Radio 2. 12.00 Radio 2.

Advertisement for Bouchard Aîné wine. Includes a large image of a wine bottle and the text: 'What's in a name? A name that's recognised can inspire awe, envy or, in this case, confidence. It's a name with a reputation for accepting only the best, and maintaining the highest standards. An assurance for the wine-buyer that his choice has been expertly selected and carefully shipped. A very good wine reasonably priced. Distinguishing it from the ranks of all the rest. In other words, a name such as ours can sometimes be all the guarantee you need. Because when it says Bouchard Aîné on the label, it says a lot for the wine. read the small print first Bouchard Aîné Burgundy specialists and shippers of fine wine 13 ECCELESTON STREET, LONDON SW1 Aina denoting the eldest son of the family



television

Some things new by CHRIS DUNKLEY

TV is making all the money... The BBC is making all the programmes...

Whatever the reason, an analysis of my week-end... I am in favour. I have explained in the past...

There were some notable ITV productions among the Others... Instance a Survival special...

Southern's Caesar And Cleopatra on the same night... The ordinary, too first and unattractive...

However, this article was mainly intended to give some... of those who have Series...

Elizabeth Hall

Beethoven sonatas by MAX LOPPERT

When a pianist of Alfred Brendel embarks on the... of his Beethoven sonatas...



Two new series: (above) Peter Jones and Prunella Scales in 'Mr. Big' (BBC 1) and Farrah Fawcett-Majors, Kate Jackson and Jaclyn Smith in 'Charlie's Angels' (ITV)

and the phoenix itself is an amazing piece of work... special credit is given...

In Rosie, also on BBC1... Penrose, who first turned up in autumn 1975...

Johnson's production The Secret War has found one area... which was little known...

The first episode of this BBC 1 series about the war in science and technology...

The highlight of this year is the Edinburgh Festival Opera... which will be given over three weeks...

reminiscent not only of Last Of The Summer Wine but also... Tinniswood's I Didn't Know You Cared...

Wildlife On One, on BBC 1 on Thursdays... is undeniably a new series...

The comedy series Mr. Big on BBC 1 on Friday is especially welcome...

Also at the Usher Hall will be the Concertgebouw of Amsterdam... which will give four concerts...

The opening concert on August 21 will be given by the Scottish National under Alexander Gibson...

Also at the Usher Hall will be five instrumental recitals... four will mark the 150th anniversary...

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Wigmore Hall

ISM soloists by PAUL GRIFFITHS

New year seems to be the best season for presenting young musicians... no sooner have the Park Lane Group introductions...

According to Hoyle, on BBC on Saturday... it is filled by a repeat of the Yesterday's Witness programme...

When he came home to Finzi... However, he came into his stride... His voice suddenly became much more appealing...

Greenwich

The Great Wall

At the end of this strangely concocted show... Max Wall avers that the old style of revue is on the way back...

Mr. Underwood's programme consisted of four groups of last songs... selections from Schubert's Schwanengesang and Finzi's Hardy set I said to Love...

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Radio 3

Melos Quartet

The first of the new year's season of BBC lunchtime concerts was given on Monday at St. John's Smith Square...

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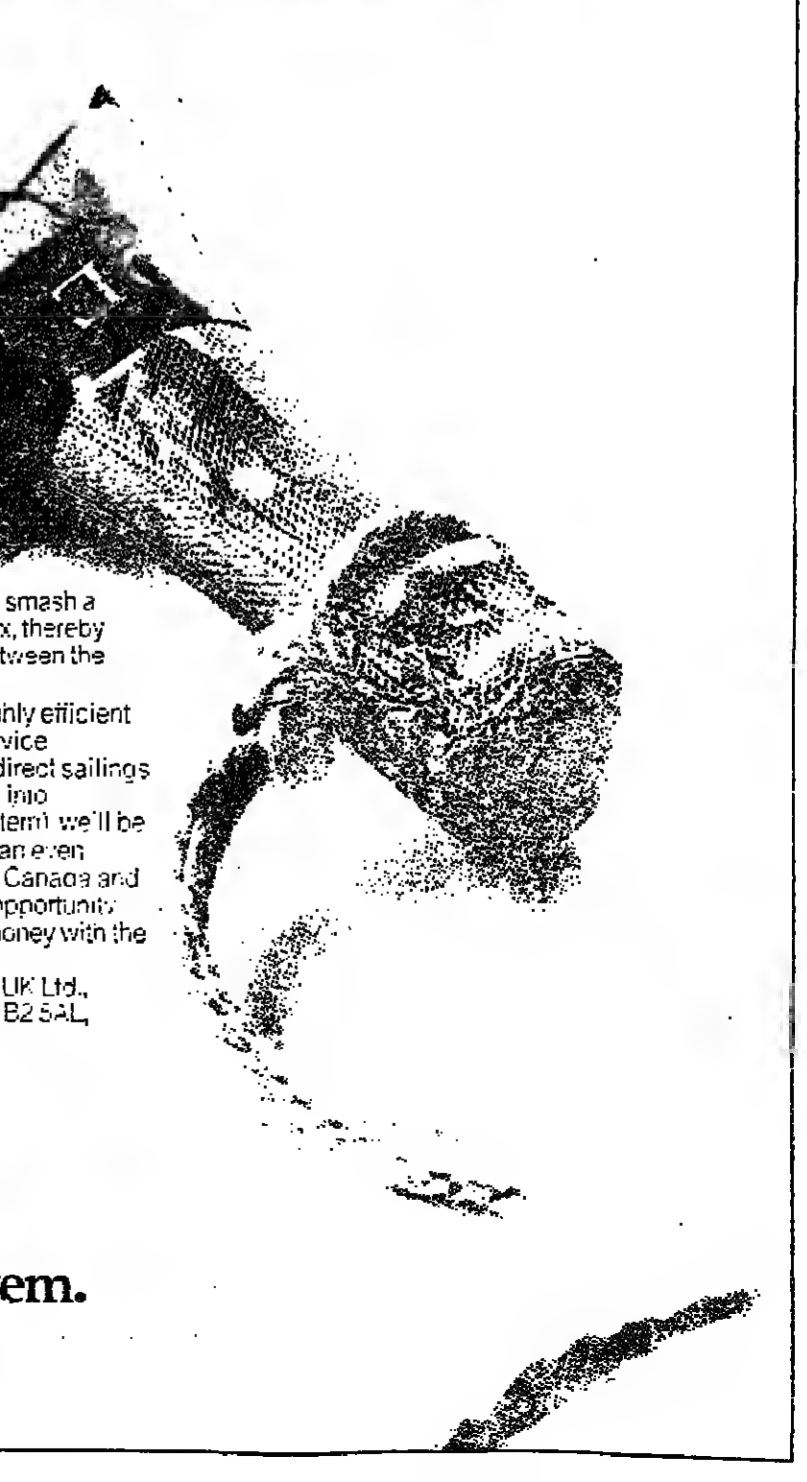
Edinburgh Festival

In announcing preliminary plans for this year's 31st international festival... Mr. Peter Diamond...

Aldeburgh Festival 1977

The first Aldeburgh Festival Lochrymæ (after Dowland), for since the death of Benjamin Britten...

Cast launches direct container service from Liverpool to Canada/U.S.A.



Now you have the viable alternative... At the end of January, we're going to smash a bottle of champagne over a Cast Blue Box...

Since 1969, we have operated a highly efficient Transatlantic door-to-door container service out of Antwerp...

CAST The Blue Box System. Bank House, Cherry Street, Birmingham B2 5AL. Telephone 021-643-6771, in London, Telephone 01-480-7506.

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EUROPEAN NEWS

Suarez talks to opposition as Basque violence mounts

BY ROGER MATTHEWS

SR. ADOLFO Suarez, the Spanish Prime Minister, held his first formal meeting with representatives of Spain's illegal opposition parties this evening...

should not be given too much time to build up effective organisation. Before meeting the opposition leaders, Sr. Suarez saw representatives of the right-wing Popular Alliance...

wide area. Eyewitnesses said the fighting was the most vicious in the Basque country for many months...

Jenkins urges changes in CAP

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

MR. ROY JENKINS, in his first major address as President of the European Commission, said today that the EEC's common Agricultural Policy must be improved to make it more responsive to the interests of consumers...

well as stable markets for an efficient agricultural system. Mr. Jenkins did not spell out today the EEC's proposals for changes in the CAP...

not yet feel any benign stirring of the breezes of spring. But what I do feel is that there comes a time when we have to break out of the cinderella or within it...

London visit for EEC agriculture commissioner

BY ROBIN REEVES

MR. FINN Olav Gundelach, the new Brussels Commissioner for Agriculture and Fisheries, flies to London tomorrow for talks with Mr. John Silkin...

lural prices for 1977-78 promise to be the most difficult for many years, and Mr. Silkin's job of bringing home a deal which will appear satisfactory to Britain will not be made any easier by his having to chair the crucial council negotiations...

Mr. Jenkins warned that no member government should look on the EEC purely in terms of how much profit or loss it got out of it. "The Community is not a betting shop... into which one takes one's stakes and hopes to come away with more than when one went in."

E. Germans act to stem flow of would-be emigrants

BY LESLIE COLT

EAST GERMAN guards to-day began refusing East German entry into West Germany's permanent mission in East Berlin...

People now attempting to enter the building are told by the uniformed guards that under a 1963 law they must first obtain permission from the East German Foreign Ministry...

to-day lodged a diplomatic protest with the Soviet Union over recent statements and measures by East Germany affecting Berlin...

In Berlin there was a violation of the 1971 four-power agreement on the city. The Soviet Union is the fourth signatory power.

On New Year's Day East Germany introduced visas for foreigners visiting East Berlin and abolished controls at the boundary between East Berlin and East Germany.

Helsinki accord's echo in East Europe

BY OUR EAST EUROPEAN STAFF

THE HELSINKI Declaration has clearly not been a waste of time or a concession to the Russians, as is so often claimed in the West...

matter. It has always been hard to gauge the extent of dissent in the Soviet Union and it is probably true that such committees only represent tiny—mainly intellectual—minorities.

Needless to say, they were expected Helsinki to open such a Pandora's box, now facing a serious dilemma. Such flouting of authority cannot continue.

The Soviet reaction is typical. Police have hauled in the ring-leaders, planted incriminating evidence on their flats, and dropped ominous hints.

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Russia condemns U.S. spy flights

BY OUR EAST EUROPEAN STAFF

THE SOVIET UNION complained to-day that increased flights by U.S. reconnaissance aircraft near the borders of Communist countries were in conflict with the spirit of the final act of the 1975 European Security Conference.

One cannot help noting that the recently more frequent flights of U.S. reconnaissance aircraft are made in direct proximity to the borders of the socialist countries.

are having their actions on a document which all governments have signed (though this has not stopped Tass saying that no one needs independent monitors when the official ones are doing a good job).

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Freed Czechs questioned again

BY PAUL LENOVAI

ALL THE prominent Czechoslovak dissidents arrested yesterday were reported last night to have been released but Mr. Vaclav Havel, the writer and one of the spokesmen for the Charter 77 civil rights movement, was again interrogated by the police today...

especially, those who sent copies of the declaration to the Western Press. The Czechoslovak regime have apparently been taken in people in the number of people who have supported the Charter 77 movement...

and other dissidents refused to sign the protocols of the interrogation. He added that the Charter 77 movement was continuing to fight for human rights without seeking a confrontation with the authorities.

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Threats to Poles

BY PAUL LENOVAI

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AUTHORS WANTED BY N.Y. PUBLISHER. Leading book publisher seeks manuscripts of all types...

Dfls. 50,000,000.— 74% Bearer Notes 1973 due 1977/1980 of SOCIETE DU PIPE-LINE SUD-EUROPEEN. Neully-sur-Seine FRANCE. As provided in the Terms and Conditions Redemption Group No. 2...

Barre calls for increased U.K.-France co-operation. BY REGINALD DALE, EUROPEAN EDITOR. M. RAYMOND BARRE, the French Prime Minister, last night called for stepped-up Anglo-French co-operation...

Italy pay agreement proposal. BY DOMINICK J. COYLE. ITALY'S powerful Communist Party (PCI), whose tacit support in Parliament maintains in office the present Government...

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Handwritten Arabic text: حكاية من الاحول

AMERICAN NEWS

Sharp rise in capital spending expected in U.S.

By JUREK MARTIN, U.S. EDITOR WASHINGTON, Jan. 11.

AMERICAN business expects its capital expenditure on new plant and equipment to be 11.3 per cent higher in 1977 than in 1976, according to the latest survey produced by the Commerce Department. These figures are not adjusted for inflation, implying a real increase in the rate of investment of between 5 and 6 per cent. Even so, this would be nearly double the 3 per cent growth in real terms that the Department estimates took place last year compared with 1975. The projected increase in capital spending is slightly higher than the manufacturing sector, the biggest individual increase planned by the car, rubber, transportation, paper and gas utility industries. There is, however, a sharp drop in the projected expenditure for the transportation sector as a whole, largely because of the completion of the Trans-Alaska pipeline. These projections are not necessarily especially encouraging, given the sluggish rate of growth in capital spending in the last two years. The long-awaited surge in this sector of the economy has yet to be materialised and it remains to be seen whether business attitudes will change as a result of the

High Brazil GDP growth worries government

By Sue Branford

SAO PAULO, Jan. 11. BRAZIL'S GROSS domestic product (GDP) grew by 8.8 per cent in 1976, according to preliminary official estimates. The overall figure is made up of a growth of 11 per cent in industry, 4.2 per cent in agriculture, 8.8 per cent in retail trade, and 7.5 per cent in transport and communications. The extremely high figure has created some embarrassment for the Government, which has been trying unsuccessfully over the last year to hold down economic growth, so as to tackle the priority problems of deficit in the balance of payments and inflation. Yet, in spite of increasingly rigorous import controls, estimates suggest a 1976 deficit in the current account of \$US6.8bn, made up of a trade gap of \$US2.4bn, and a deficit in the services account, which includes the servicing of the foreign debt, of an unprecedented \$US4.4bn. Inflation ran at 46 per cent, the highest rate for 10 years. The Minister of Finance, Sr. Mario Simoesen, denied that his policies have failed. He commented: "The best reply to criticisms is to point to the growth in foreign reserves, which now stand at \$US5.4bn, as compared with only \$US4.1bn in January, 1976."

Mexico's birth control plans start to pay off

BY ALAN RIDING IN MEXICO CITY

JUST THREE years after the Government withdrew its opposition to birth control and began sponsoring an official family planning programme, Mexico's population growth rate has already begun to fall. According to two recent studies, the annual growth rate dropped from 3.5 per cent to under 3.2 per cent between 1974 and 1976 and, although statistics are notoriously unreliable in Mexico, the downward trend is indisputable. The country's new president, Sr. Jose Lopez Portillo, has set a target of an annual population expansion of between 2.5 and 2.8 per cent by the end of his term in 1982, while some demographers believe a rate of 2.5 per cent is attainable by then.

According to the prestigious research institute, El Colegio de Mexico, about 1.6m. women are registered in Government family planning programmes, 600,000 use birth control devices privately. Estimating that 60 per cent of the former and 80 per cent of the latter are strictly in their own hands, El Colegio de Mexico believes that 1.5m. are in fact planning their families. On the basis of statistical probabilities, this means that 250,000 live births were avoided between July, 1974, and June, 1976, equivalent to lowering the birth rate from 34 to 30.6 per thousand and the population growth rate from 3.5 to 3.2 per cent per annum. The Ministry of Health, which also co-ordinates the family planning programmes organised by the Mexican Social Security Institute and other public and private bodies, produced a confidential report last November which essentially endorsed the findings of El Colegio de Mexico, although its calculations were different. It concluded that 2.5m. for the peasantry is thus found Mexican women surpris-

The enormous built-in momentum of Mexico's population growth is such that there will be no immediate easing of the country's acute economic and social problems.

Receptive

But the enormous built-in momentum of Mexico's population growth is such that there will be no immediate easing of the country's acute economic and social problems. On the contrary, even if zero population growth were quickly achieved, it would take the Government many years to satisfy the needs of today's 63m. Mexicans. And, in practice, the country's population is still growing faster than all but a handful of Third World nations. For both organisers and beneficiaries of the family planning clinics, while its success has been notable. Officials have found Mexican women surpris-

Countryside

The immediate priority of the family planning programme is therefore to incorporate peasant women and recently-married or single girls. Taking birth control to the countryside, however, is a major challenge since, in most rural areas, no health clinics whatsoever exist. The priority for the peasantry is thus minimal medical attention rather

than birth control, particularly since resistance to family planning is intensified by religious taboos and the cult of "machismo" or male virility. In urban areas, the National Population Council has made much more progress in breaking down "machismo" attitudes, although many women still go to family planning clinics without their husbands' knowledge. Using posters, radio and television, the birth control propaganda has become steadily more militant, moving in just 18 months from the mild suggestion that "smaller families live better" to the direct advice to women that "you don't have to get pregnant if you don't want to."

By extending the propaganda campaign, the Government hopes to bring in hundreds of thousands of single girls who not infrequently have one or two children even before they get married. In an effort to reduce these unwanted births and the number of fatherless children, the government is even considering legalising abortion, although the Roman Catholic church is strongly opposed to such a measure. A special inter-ministerial committee established last year by former President Luis Echeverria, recommended to both the outgoing and incoming Presidents that abortion be legalised as a form of birth control and in order to recognise the reality that close to 700,000 illegal abortions take place here each year. But President Lopez Portillo has so far steered clear of this controversy.

Ford's nominee quits party chairmanship contest

By JUREK MARTIN WASHINGTON, Jan. 11.

RESIDENT Ford's personal choice to be the next national chairman of the Republican Party has withdrawn his name from consideration, thus casting doubt on the President's ability to influence the party once he leaves office. Mr. James Baker, who did well as President Ford's campaign manager in the closing months of the election campaign, said that he was withdrawing in the interests of preserving party unity. However, it is felt that Mr. Baker was never keen about taking on the job but had been pressed into service by President Ford. Having ascertained that the stiff fight between moderate and conservative factions was "kelly," his enthusiasm waned soon further. This would seem to mean that he held it now being led by Mr. Richard Richards from Utah, the personal choice of Mr. Ronald Reagan, ex-Senator William Brock from Tennessee. Mr. 300 Carter from Washington State, Mr. Thomas Milligan from Indiana, and a few others. Yesterday the new Senate Republican leadership threw its support behind Mr. Brock, not entirely surprisingly since the Minority Leader, Senator Howard Baker, is also from Tennessee. In fact, Mr. Brock is generally considered rather more conservative than the Senate leadership, but is enough of a familiar establishment politician to satisfy at least some moderate Republicans. It seems clear, however, that at last week's White House meeting there was little if any consensus between Mr. Ford and Vice-President Rockefeller on the one hand and Mr. Reagan and Mr. John Connally on the other. Mr. Ford and Mr. Rockefeller evidently failed to convince the other two of the merits of Mr. Baker's candidacy, and it must be assumed that Mr. Reagan and Mr. Connally failed to persuade the President and the Vice-President of their beliefs. Mr. Carter and Mr. Milligan are essentially compromise candidates since they are non-ideological party technicians. It is unclear whether Mr. Brock fills this bill, though his chances seem a little brighter with Mr. Baker's withdrawal and the Senate leadership's endorsement.

Carter appointee defends record on civil rights

By OUR OWN CORRESPONDENT WASHINGTON, Jan. 11.

MR. GRIFFIN BELL, named by President Carter to be the U.S. Attorney-General, today defended in detail his civil rights record in Georgia during the last 20 years. He was appearing before the Senate Judiciary Committee, which is holding preliminary hearings on his appointment. There seems little doubt that Mr. Bell will be confirmed with few dissenting votes in the course of this month, but he has been sharply attacked by liberals in the rounds that he possesses a record that renders him unfit for the job as chief legal officer of the Government. Yesterday the National Association for the Advancement of Coloured People (NAACP) and the Liberal Action for Democratic Action, announced that they would oppose his nomination, and this morning's questioning centred largely on their concerns. It also produced one nugget of news—that Mr. Bell had selected black federal judge, Mr. Wade McRee Jr, to be his Solicitor-General, the number three post in the Justice Department. Mr. Bell was adamant, however, that he wanted to be accepted on the basis of his own record and his own merits. He said: "I believe only moderates should be on the bench." He said's backing for the Supreme Court nomination by President Nixon of Judge G. Harrold Carswell six years ago, which was rejected by the Senate following revelations that Judge Carswell had written statutes for racially segregated clubs and amid evidence that he had opposed much civil rights legislation. Mr. Bell claimed today that he did not endorse Judge Carswell, whom he described as "a classmate and a friend," but limited that he had recommended him. He sought, somewhat modestly, to portray a distinction between endorsement and recommendation. He also defended his decision, when a Federal Judge, to uphold the right of the Georgia state legislature to deny a seat to Mr. Julian Bond, the young black Georgian politician. This ruling was reversed within two weeks by the Supreme Court, but Mr. Bell said today that his court had judged the case on the basis of a legislature was a 27 per cent rise against the right to set qualifications for membership, while the Department's last Supreme Court in overruling reporting Board said, it had taken the broader view

The toolbox theory. How an ingeniously simple idea helped double Cooper Industries' profits.

We combined several small, specialized hand tool companies into one strong one to offer the main contents of a well-stocked toolbox. Today, hand tools account for about 40 percent of Cooper Industries' earnings. Until 1967, Cooper Industries was basically a one-product, one-market company. We made engines and compressors for the energy companies.

A good business, but very cyclical. And there were disturbing signs that the next downward cycle would be especially steep. So Cooper Industries needed to put some eggs into a second basket. One that would help smooth out those fluctuations. A product everybody buys We decided on hand tools as a diversification area. All kinds of people use hand tools — wrenches, pliers, files — year in and year out. So the demand is steady. And the industry isn't very sensitive to major ups and downs of the economy.

The first hand tool company we considered for acquisition was The Lufkin Rule Co., a leading maker of measuring tapes and rules. Interestingly, they had their own acquisition plan: The toolbox theory. Their idea was to build one strong hand tool company from several smaller, complementary companies. The new company would offer hardware dealers a variety of tools from a single source.

Picking the companies We joined forces with Lufkin and set up two more criteria that a company would have to meet to get into our toolbox. In addition to helping us smooth out our earnings cycle, the new companies would have to:

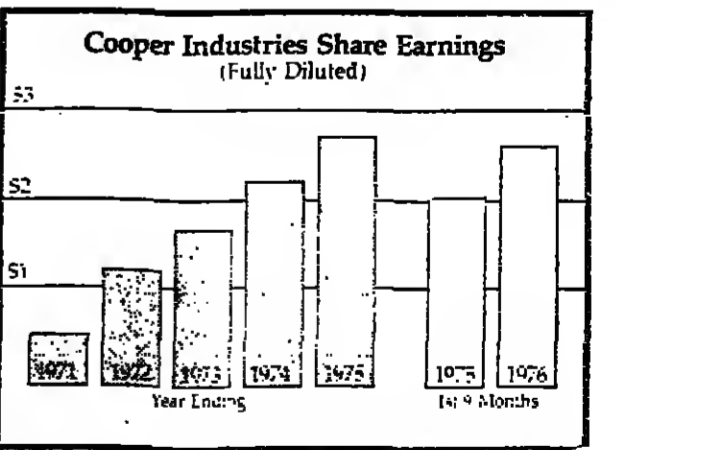
- 1. Have a quality line with a first-class brand name. 2. Be as interested in us as we were in them. You see, after going multi-industry, Cooper Industries was going to continue to be an operating company, not just a holding company. So we had to bring something to the party, too. We called the new tool division The Cooper Group. Eventually it would grow to include Lufkin; Crescent wrenches, pliers and screwdrivers; Weller soldering equipment; Nicholson files and saws; and Xcelite electronics tools.

The nick of time In 1971, the downturn in our energy-related machinery market was even worse than we'd expected. There was a bright spot though. Our hand tool acquisitions produced a whopping 81 percent of our total earnings. The toolbox theory paid off immediately. In the next year, energy-related sales were down again. But Cooper Industries' total earnings had started back up. The theory was working. It still is.

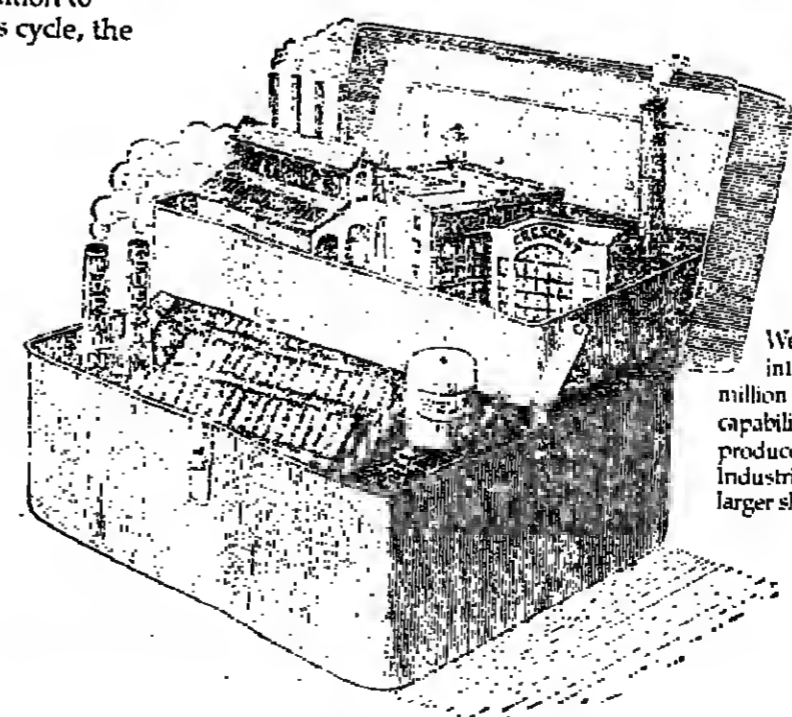
How's business? Today, Cooper Industries is an established leader in the hand tool industry. Tool sales in 1975 amounted to \$164 million. And each of the five tool companies has increased profits as part of Cooper Industries. What makes that news even brighter is that our energy-related sales are going through the roof now. We're now moving into aircraft services using the same principles of management. And we're finding new ways to grow internally as well — making new products with old com-

panies and finding new markets for old products. The toolbox today — our quarterly report Our three businesses — hand tools, aircraft services, and energy services — have made the Cooper Industries of 1976 one of the best balanced and most stable multi-industry companies around. And we think things look even better down the road. Check us out in our latest annual and quarterly reports. Write to: Cooper Industries, Inc., c/o Cooping Ltd., 173 Sloane Street, London, SW1X 9QD, England.

Own it what you acquire. That's non-glomeratism. We put it to work in: Hand Tools The Cooper Group (Lufkin, Crescent, Weller, Nicholson, Xcelite), Rotor Tool. Aircraft Services Cooper Aircraft Co. Energy Services Cooper Energy Services (Cooper-Bessemer, Ajax, Penn Pump, Superior).



Headquartered at Two Houston Center, Houston, Texas 77002 U.S.A.



We combined five tool companies into one and pumped in over \$40 million worth of new manufacturing capability. The result was a business that produces about 35 percent of Cooper Industries' annual sales — and an even larger share of earnings.

Cooper Industries, Inc. THE NON-GLOMERATE

Unions in Sri Lanka showdown

By Mervyn de Silva

COLOMBO, Jan. 11. THE GOVERNMENT of Sri Lanka now seems irrevocably set on a collision course with the country's trade unions, which could have far-reaching political implications.

Ambiguous

The Communists may also be elected from the coalition for the first time in this troubled situation. This morning there were unconfirmed reports that the Communist Party had ordered its only minister in the cabinet to resign.

Arson attacks disrupt Cape Town schools

By John Stewart

CAPE TOWN, Jan. 11. LAST NIGHT'S arson attacks on six schools in Cape Town's African townships of Langa and Nyanga is a serious setback to the Government's educational conciliatory measures to induce children to return to school after five months of boycotts and violence.

Peres challenge to Rabin expected

By L. DANIEL

MR. SHIMON PERES, the Israeli Defence Minister, is expected to announce officially today that he will seek the Labour Party's nomination for the post of Premier should the party be in a position to form a Government after the general election on May 17.

Japan plans 17.3% budget increase

BY CHARLES SMITH, FAR EAST EDITOR

THE JAPANESE budget for the fiscal year 1977 (running from April 1, 1977, to March 31, 1978) will be 17.3 per cent larger than the budget for the current fiscal year.

ARAB ARMS PROCUREMENT

If war should come again

BY MICHAEL TINGAY IN CAIRO

IN THREE YEARS, co-ordination of Arab military strategy has come full circle—from the high point of the October, 1973, war, through the Suez Canal agreement, the second Sinai agreement with Israel in September, 1975, to the present.

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But is Egypt strong enough for the military option? Mr. Sadat has complained that Egypt has not adequately retrieved its 1973 losses. In April, 1974, he publicly announced his intention to diversify sources of arms.

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Tokyo again rejects plan to share shipbuilding

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE EEC'S attempt to reach a market sharing arrangement for shipbuilding with Japan moved closer to a final breakdown here today. Despite overwhelming support within the Organisation for Economic Co-operation and Development for the EEC's proposal, it was again rejected by Japan.

U.K. clothing trade gap narrows

BY RHYS DAVID, TEXTILES CORRESPONDENT

BRITAIN'S clothing industry has begun to have some success in cutting back on its huge trade deficit, with the surplus of imports over exports falling for the second quarter running in the third quarter last year.

Whisky export warning

BY KENNETH GOODING

A BAN on shipments of bulk blended Scotch whisky would lead to a substantial fall in export sales and a possible loss of employment, maintains the Scotch Whisky Association which represents most of the producers and blenders.

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THE M.E.L. Equipment Company, a member of the Philips group, has won an order worth over £10m. from an undisclosed foreign government for Cansman mobile military radio relays and spares.

U.K. Iran machine tool joint ventures

By Robert Graham

BRITISH COMPANIES are expected to agree on three new joint ventures in the machine tool sector as a result of the 31st session of the Franco-British ministerial commission, at which a protocol is due to be signed here tomorrow.

India plans to speed development

By K. K. Sharma

IN A BID to speed up Indian industrial development, the country's Minister of Industry, Mr. T. A. Pal, has announced that industrial licences that have been approved in key sectors will be rapidly screened, and those not implemented quickly revoked.

Opposition in Pakistan unites for elections

BY IQBAL MIRZA

PAKISTAN'S NINE opposition parties have agreed to put up joint candidates throughout the country during the coming general elections. Following a marathon meeting of opposition leaders in Lahore, Mr. Rafiq Bajwa, Vice-President of the Jamiatul Ulama Pakistan, said that the opposition parties had emerged as a united force and would contest the polls unitedly.

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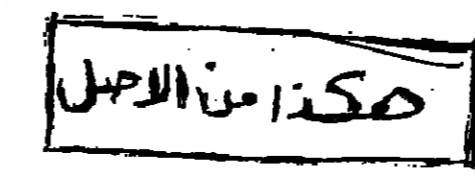
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Table with 7 columns: Year (1973-1976.2), and 7 rows of clothing and textile data including Consumer Expenditure, Household Textiles, Textiles Production, etc.

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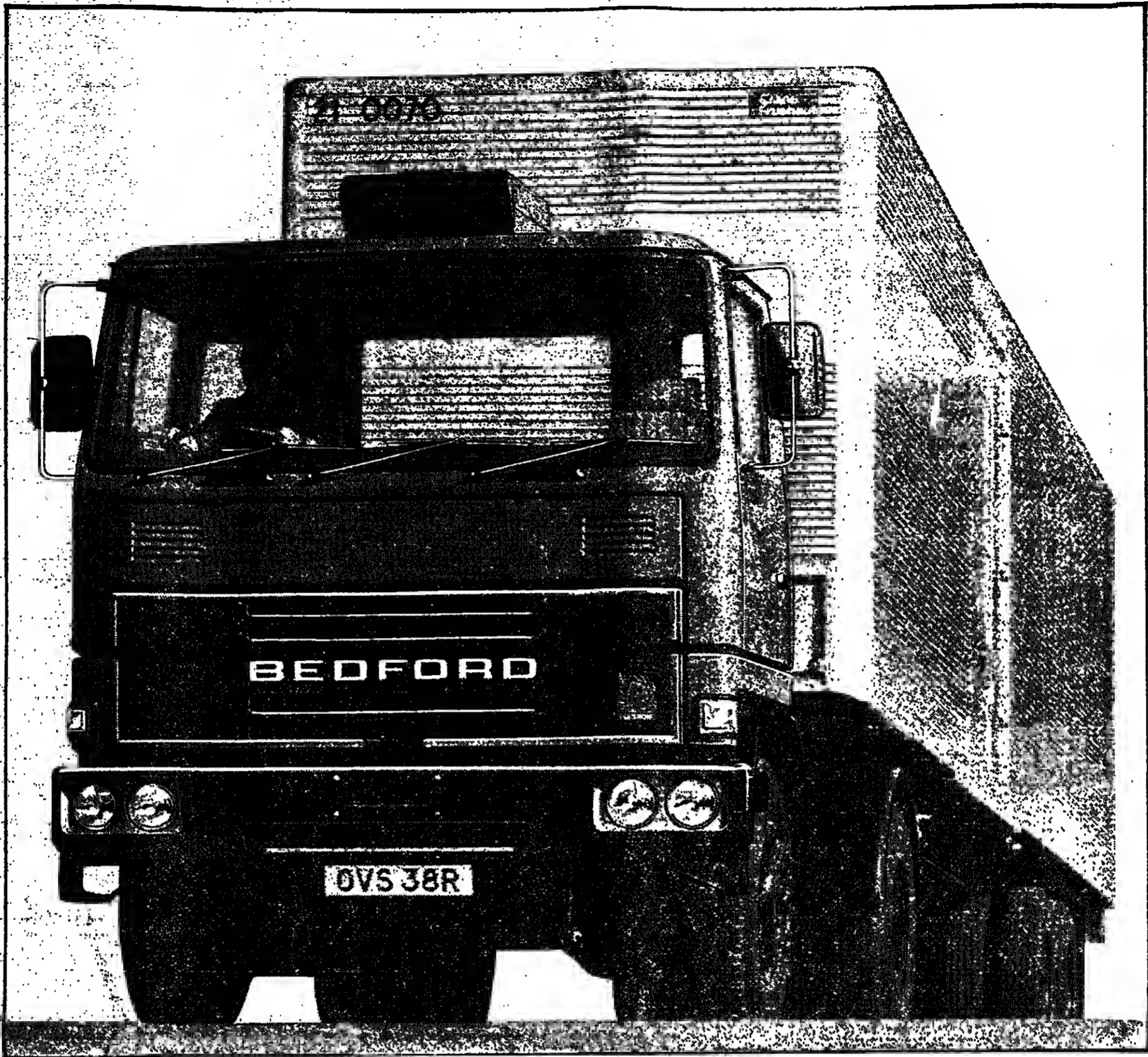
Friday January 12 1977
NEWS

The Financial Times Wednesday January 12 1977

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gap narrow



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John... ..

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HOME NEWS

Frightening food prices forecast by Silkin

By Elinor Goodman, Consumer Affairs Correspondent

MR. JOHN SILKIN, Minister of Food and Agriculture, yesterday described some of the food prices likely to result this year from the closing of the gap between EEC prices and British farm prices as "frightening."

Speaking in London to a delegation of consumer organisations, he said that the extra 12p a pound which would be added to the price of butter if the present time-table for transition is kept was "much to be regretted."

The Minister, however, said he would not commit the Government to trying to delay the final stages of the transition to parity with EEC farm prices. The British Government's hands were tied by the Treaty of Accession and the price to be paid for falling to meet the time-table would be too high.

Nor would he give any assurance that there would be no devaluation of the Green Pound before the farm price review. He indicated that he wanted to use the question of devaluing the Green Pound as a bargaining card in negotiations over the whole question of EEC farm prices.

While not committing himself to any specific points, Mr. Silkin seemed sympathetic in principle to some of the arguments put forward by the 20 consumer organisations represented at yesterday's talks. After the meeting, which was the first time such a wide section of consumer representatives had got together to lobby the Government, the Consumers' Association said it had been very encouraged by Mr. Silkin's attitude, which was described by another delegate as being "more sympathetic than some of his predecessors."

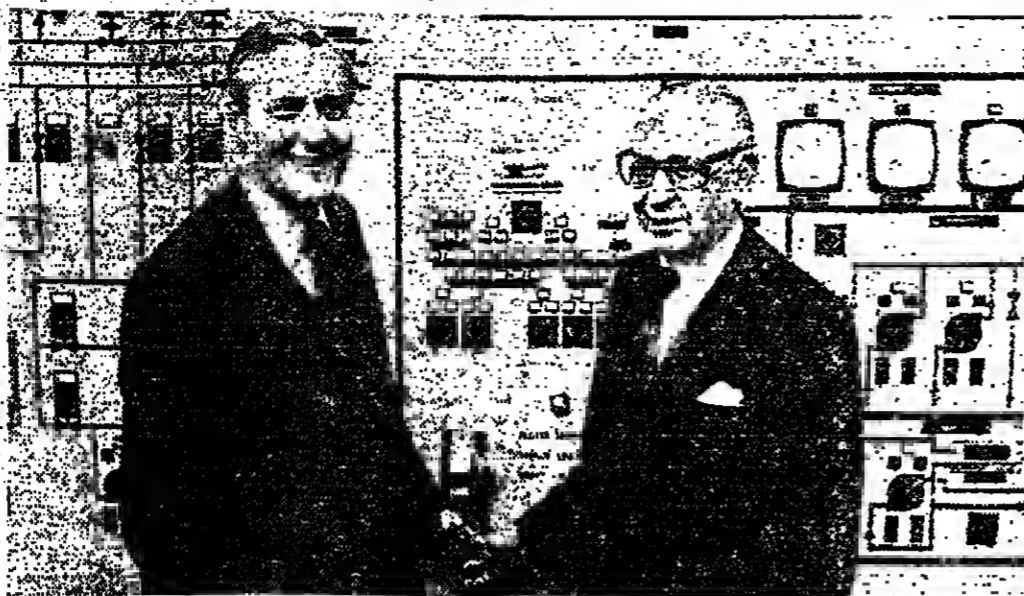
Dominated

The consumer organisations, which were supported in many of their arguments by both the TUC and the food manufacturing industry, basically want an end to what they see as the situation where decisions about food prices in the EEC are dominated by the producers' interest.

The Consumers' Association and the National Consumer Council, which led yesterday's meeting, are to try to persuade consumer organisations in other parts of the EEC to press for changes in the Community's farm price policy.

The consumer groups stressed yesterday that they were not against the Common Market as a whole, only to certain aspects of its operation. Eventually they would like to see parity between the producers' interests and those of consumers in the Common Market, though they admitted yesterday that that kind of balance would take some years to achieve in practice, particularly as the British consumer movement is itself divided over some points.

Prices paid to farmers for milk, sugar and maize should be frozen or even reduced, the Cocoa, Chocolate and Confectionery Alliance has told the Government. Restraints imposed on wages and manufacturers' prices should be shared by the farmer, with no privileges for them when the Government is trying to stop prices rising and to reduce inflation.



Mr. Anthony Wedgwood Benn, Secretary for Energy (left) and Dr. Armand Hammer, chairman of Occidental Petroleum, formally inaugurated the Flotta terminal in the Orkneys yesterday when they pulled a lever to start the flow of oil from the Piper Field, 135 miles away. The field is Britain's fourth largest, and it is estimated that the terminal will handle nearly 20 per cent of all Britain's offshore oil recovered this year.

State signs new Thistle oil deal

THE GOVERNMENT has completed a participation agreement with Deminex, the German oil company which has major interests in the North Sea Thistle field. The agreement, announced in the Commons yesterday by Dr. Dickson Mabon, Minister of State in the Energy Department, comes a week after the announcement of a State-participation deal with the Shell/Esso consortium. It brings the number of companies which have reached full or tentative agreements with the Government to 18.

The State-owned British National Oil Corporation will have the right to buy at market price up to 51 per cent of crude available to Deminex after the initial build-up period. BNOC will also obtain additional voting rights under operating agreements. Deminex is the biggest shareholder in Thistle, with a 42.5 per cent stake in block 211/18, which contains around 91 per cent of the field. The rest of the field is in block 211/19, in which Gulf and Conoco have an interest.

Recoverable reserves from the field, which is expected to be in production around August, are put conservatively at 450m barrels, and at peak rate the output is expected to be 150,000 barrels a day. That puts the field in the medium-size category, much smaller than Forties (1.8bn barrels recoverable reserves) or Brent 2bn barrels but larger than Argyll or Montrose. The Government now has agreements with all participants to the field, except Caterhouse, which has a very small stake. Deminex is a State-supported consortium of West German oil companies.

Retail sales pick up in November

BY MICHAEL BLANDEN

A RECOVERY in retail sales in November and a further rise in new instalment credit lending is shown by the latest figures published by the Department of Industry.

These confirm the higher level of retail trade in a period when sales were reflecting the buying ahead of the expected increase in value added tax in the December economic package. The indications from the trade are that business has continued to be good following the package, which did not in the event include VAT increases. Both the Christmas period and the sales appear to have gone well.

New instalment credit advanced by finance houses and retailers, totalled £331m. in November, on a seasonally adjusted basis. This was a little more than the average levels of recent months. The latest three-month period, from September to November, advances showed an increase of 3 per cent over the previous three months. Finance house lending increased by 3 per cent between these two periods, while lending by retailers rose by 11 per cent.

Of the three broad groups of 1975:

Year	New credit extended by:		Total debt outstanding (unadjusted) £m.	Retail volume (revised) Total (1971=100)		Durable goods shops (1971=100)
	Finance Houses	Retailers		Total	Durable goods shops	
1975						
1st	284	425	2,265	111.3	129	
2nd	309	450	2,264	108.9	130	
3rd	303	445	2,257	105.5	111	
4th	308	466	2,320	105.8	112	
1976						
1st	343	495	2,297	107.3	116	
2nd	385	488	2,363	106.7	121	
3rd	392	521	2,465	108.7	127	
1977						
April	127	164	2,320	108.5	128	
May	126	165	2,356	105.7	117	
June	132	159	2,363	106.1	119	
July	126	164	2,386	108.3	127	
Aug.	129	175	2,430	108.9	127	
Sept.	137	182	2,465	108.8	127	
Oct.	128	181	2,519	107.3	126	
Nov.	140	191	2,605	109.3	130	

Source: Department of Industry

The total amount outstanding to finance houses on instalment credit agreements rose by £26m. in November and by £66m. in the latest three months. Amounts outstanding to retailers rose by £33m. in November and by £83m. in the three months.

The final seasonally adjusted index of the volume of retail sales in November is 109.3 (1971=100), close to the provisional estimate last month of 109. The estimate suggests a recovery in trade after the October fall back to about the level of the third quarter in the three months September to November, the volume of sales was 1 per cent higher than in the previous three months.

However, the average level of trade during the first 11 months of the year was still slightly below the annual average for 1975. The estimate suggests a recovery in trade after the October fall back to about the level of the third quarter in the three months September to November, the volume of sales was 1 per cent higher than in the previous three months.

Sealink cuts Boulogne fares

BRITISH RAIL Sealink is cutting fares for its car-borne passengers between Dover and Folkestone and Boulogne. A £2 per person reduction for car drivers and their passengers (£1 for children) will operate from January 15. The concessions will not apply to foot passengers. The reduced adult single fare for the journey will be £5.60, compared with the £8 per car driver or passenger charged by the only competitor on the route, P & O. The P & O fare incorporates a £1 reduction for 1977.

Footwear industry's £10m. plea

By Arthur Smith, Midlands Correspondent

DETAILS of an appeal for nearly £10m. of Government money to help the ailing footwear industry will be completed today.

The tri-partite body set up by the Government two years ago to seek a strategy for survival of an industry hit by imports and weak demand will consider its final draft of its report.

Mr. George Marriott, chairman of the study steering group, pressed the need for quick action by the Government. An official application for assistance under section eight of the Quilts Act had been made.

Supporting evidence for the schemes for aid likely to be recommended by the group is being collected from employers' organisations and unions within the industry.

Further air fare rise sought on domestic routes

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIRLINES flying U.K. internal air routes have applied to the Civil Aviation Authority for permission to raise fares by amounts ranging between 5 and 15 per cent from April 1. This will be the third increase in U.K. domestic air fares in the past year. They rose on May 1 by 5 per cent and November 1 by 4 1/2 to 12 1/2 per cent last year.

The increases now sought would, if approved, raise the London (Gatwick)-Glasgow/Edinburgh trunk route tourist single fare from the present £26 to £29 in British Caledonian's application. The British Airways application would be for a smaller rise, from £26 to £28 for flights from Heathrow to Glasgow/Edinburgh.

On the London (Heathrow)-Belfast route, BA is asking for

a rise in the tourist single fare from £27 to £28. So far as Gatwick-Glasgow/Edinburgh is concerned, the rise sought by Caledonian effectively eliminates the Gatwick differential, originally introduced to stimulate traffic from that airport to Scotland by means of a lower fare.

The aim of these progressive increases in U.K. internal air fares in recent months has been to try to bring the domestic routes into profitability.

The problem which both the airlines and the CAA now face, however, is that the successive increases are largely keeping pace with inflation, so that no matter how frequently the airlines seek rises, the profitability goal remains just out of reach.

At the same time, the airlines are deeply concerned about the effect of persistent rises in fares on the public, bringing in mind the competition from high-speed rail services.

For this reason, the airlines have this time pared their increases to the bone, recognising that to ask for more than they have done would be self-defeating.

They are hopeful that the rises will be approved by the CAA despite that organisation's well-known desire to try to get air fares down. Failure by the CAA to approve these new domestic increases would leave the airlines in a situation where they might have to consider cut-backs in frequencies of service.

Top U.K. airlines to defend present fares

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS and British Caledonian Airlines, the two main U.K. international airlines, will defend the present European air fares when they appear before the Civil Aviation Authority's public seminar on European air fares in London today.

The Authority has called the seminar to try to discover why European air fares are as high as they are, and what can be done to get them down. Its position has been weakened by the fact that the airlines are seeking rises of 5 to 15 per cent in U.K. domestic air fares, and 5 per cent in European fares, from April 1.

The U.K. airlines spearheaded by British Airways and British Caledonian, but also supported by the main foreign airlines serving the U.K., object to both the timing and the manner of the inquiry, and feel that any vestigation of European air

fares could be conducted in a more private and effective manner. The British Airways case is based on the fact that the present European air fares are based on a standard point of the Continentally-based airlines, they should be raised, not lowered, because of the depreciation of sterling in the closing months of last year.

Its share of the European air travel market in 1977-78 is expected to be nearly £390m., which £210m. is likely to be in foreign currency earnings.

Reducing normal fares in Europe can only lessen BA's foreign currency earnings and pass a travel subsidy, through Transport Association, to foreign carriers who are not greatly in need of one.

This would conflict with Government objectives, and any case conflicts with the national interest and common sense.

The airlines also criticise the recent Airline Users' Committee report on European air fares, in which it suggested that the present fares structure was not only too high but also a complex and irrational "jungle" that required simplification.

British Airways now says that European air fares are, in fact, soundly based and sterling fares in the U.K. should be increased.

"Normal economy" fares are not overpriced, nor do they serve to subsidise discounted travel offers.

It also stresses that Europe is probably the most complex competitive international air market in the world with 25 airlines of the International Air Transport Association facing competition from 31 independent charter airlines and 14 non-IATA scheduled airlines.

not in fares policies." British Caledonian Airlines, in its case, says that while it agrees with the Airline Users' Committee and the Civil Aviation Authority that there are apparent anomalies in the European air fares structure, it fears that the recent committee's report on fares "will unduly bias the proceedings" of the public hearing.

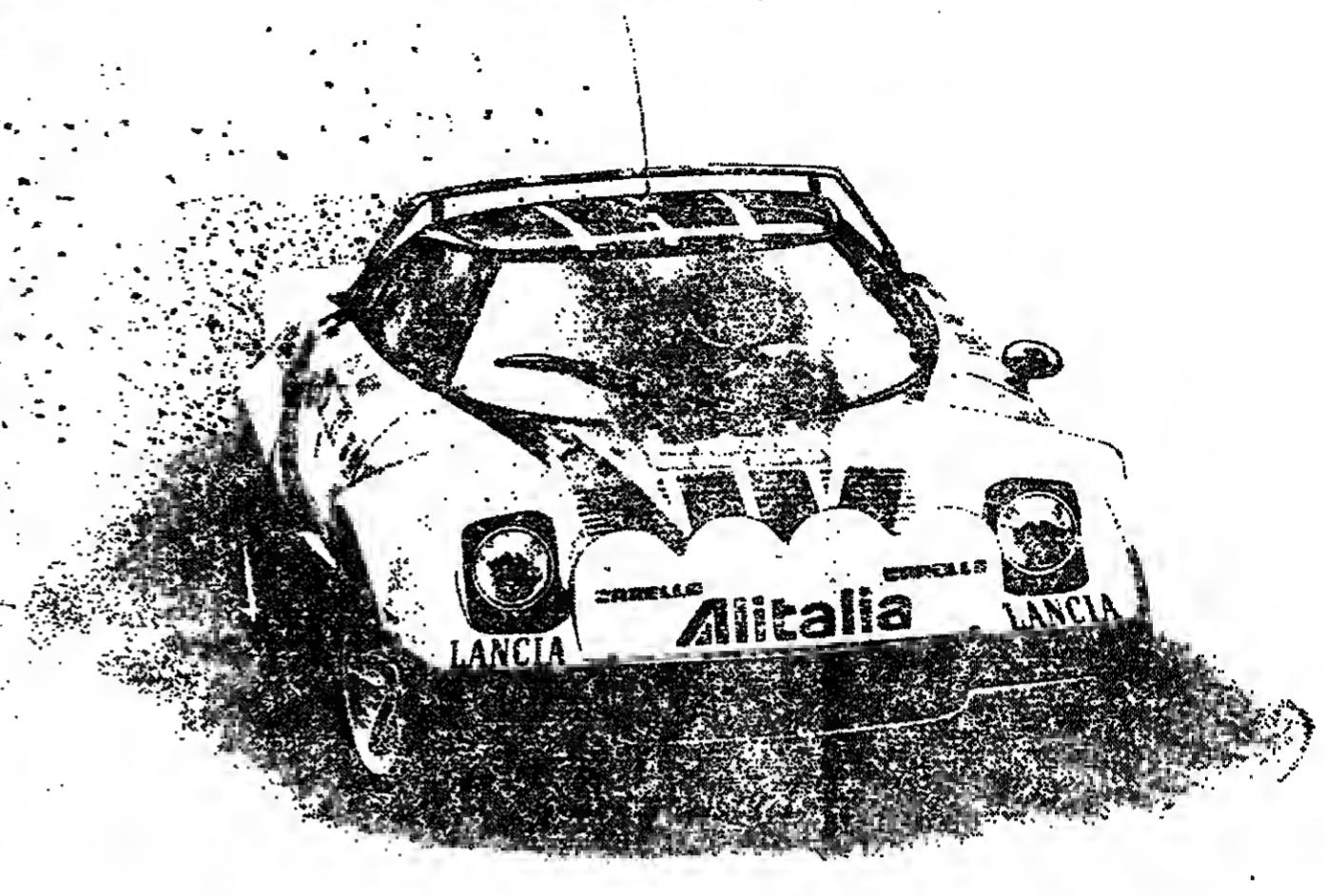
It also stresses that the present two-day meeting "is an inadequate means of dealing with European air fares, with potential dangers for consumers and airlines alike."

While favouring a review of the mechanism for settling fares in Europe, the airline says it intends to try to persuade the Authority to adopt a more logical and broader approach, which will, it believes, result in sound solutions for the airlines, the travelling public and Britain's international relations.

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This etching of Rembrandt van Rijn (1606-1669) is typical of one of the aspects of the artist's life: Rembrandt never travelled farther than 60 miles from Amsterdam, and yet he created art with a worldwide appeal.

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Centrale Rabobank, International Division, St. Jacobsstraat 30, P.O. Box 8098, Utrecht, The Netherlands, Telephone 030 - 369111.



Ennals plans talks on dole defeat

By Ivor Owen, Parliamentary Staff

THERE WAS a guarded response from Mr. David Ennals, Secretary for Social Services, in the Commons yesterday when he was questioned about the likelihood of the Government seeking to reverse the defeat it sustained in the Standing Committee earlier in the day over the proposal to stop occupational pensioners who retire at 60 drawing the dole.

Labour backbenchers joined with Opposition MPs in the Committee on the Social Security (Miscellaneous Provisions) Bill to defeat a clause designed to prevent people over 60 with occupational pensions of more than £30 a week drawing unemployment benefit. There was a majority of six against the Government—11 votes to 5.

Challenged to say whether the Government would seek to reverse the clause at report stage, Mr. Ennals replied that he would be considering with Mr. Stan Orme, Minister for Social Security, what position he takes in view of the vote this morning.

Mr. Patrick Jenkin, shadow Social Services Secretary, described the Government's defeat as "roundings" and warned Ministers that they would be most anxious to reintroduce the clause at a later stage.

Mr. Ennals complained that the Opposition had behaved in a "typical" manner in opposing the clause. Conservative MPs, he said, were constantly demanding cuts in public expenditure

Healey cheerful on £3bn. facility effects: Tories see possible risks

By John Hunt, Parliamentary Correspondent

BRITAIN HAS got off to a good start to the New Year with the agreement on new measures to reduce the role of the sterling balances. Mr. Denis Healey, Chancellor of the Exchequer, told the Commons yesterday.

In a cheerful mood, the Chancellor confirmed Monday's announcement that central banks, through the Bank for International Settlements, were providing medium-term credit facilities of \$3bn. as security against the withdrawal of official sterling balances.

He also outlined the new scheme to allow official holders of sterling to convert their holdings into negotiable medium-term foreign currency bonds. But he told the House that full details of this would not be given until a later date.

This new facility will make a powerful contribution to the stability of the international monetary system, as a whole, and reduce the vulnerability of the British economy to external factors beyond its control," said Mr. Healey.

During question time earlier, Mr. Healey said that the new package was an improvement on the one negotiated by the previous Labour Government in 1968 as, on the present occasion, there was no guarantee of the exchange value of sterling to future sterling holders.

Even so, the Government was still undertaking to offer foreign currency bonds to present official sterling holders at a value which would be maintained whatever happened to sterling.

Pensions part of next pay talks

By Ivor Owen, Parliamentary Staff

AN ASSURANCE that the need to provide for improvement in occupational pension schemes will be discussed in the course of negotiations on the next phase of the voluntary income policy given by Mr. David Ennals in the Commons yesterday.

Concern was expressed from both sides of the House about the difficulties involved in reaching decisions over contracting out from the improved State pension scheme which comes into operation next year.

Mrs. Barbara Castle, who, as Secretary for Social Services, piloted the legislation embodying the new State pension scheme through the House, and Mr. Patrick Jenkin, shadow Social Services Secretary, questioned Mr. Ennals on the issue.

Mrs. Castle underlined the need to allow scope in the pay policy for adequate improvements in preparation for the necessary for the new State scheme in April next year.

Mr. Ennals told her that occupational pensions had been included in pay policy because, as fringe benefits, they added to fringe costs. A very valuable feature was that they were allowed from last August to cover improvements designed to bring occupational schemes up to the level needed to meet the contracting out requirements.

Mr. Jenkin stressed that there was now a year eight time for contracting out and warned that nobody was going to go through all the elaborate procedures involved if the result was no better than the State could offer.

Mr. Ennals said he had been able to give an assurance on behalf of the Chancellor that this was a matter which would be taken up as part of the next stage of pay policy.

Callaghan willing to stage summit

By Ivor Owen

BRITAIN'S readiness to stage a Western summit meeting in London was strongly underlined by the Prime Minister in the Commons yesterday. "If there is a desire for a summit meeting in London, we should be happy to accommodate it here," he said.

Equally, said Mr. Callaghan, he would be prepared to go to any other location which was decided by general agreement. He recalled that he congratulated President-elect Carter on his victory but he assured him that he would receive a warm welcome if he were able to visit Britain.

The Prime Minister told MPs that he would be discussing proposals for a Western summit when he meets the U.S. Vice-President-elect Mr. Walter Mondale and also pointed out that Mr. Carter had stated that he intended to telephone some Western European leaders this week.

Replying to question about the economy, Mr. Callaghan stated that unemployment and inflation were the two real issues that would concern Parliament in the coming year.

He foresaw an improving balance of payments situation but believed that in addition to overcoming domestic inflation more international action was needed to help in securing a reduction in unemployment.

These were the kind of matters he would be discussing with the French Prime Minister, whom he saw later at 10 Downing Street, with the West German Chancellor in ten days' time, and with U.S. leaders.

Unwise

Challenged to say whether the Government would seek to reverse the clause at report stage, Mr. Ennals replied that he would be considering with Mr. Stan Orme, Minister for Social Security, what position he takes in view of the vote this morning.

Hardship

She pointed out that people affected by the proposal included Post Office workers, firemen, policemen, teachers, dock workers and groups of civil servants. Some 50 different categories were involved.

Scrounger allegations insulting, says Ennals

MOST OF the allegations by a Tory MP about social security scroungers were "totally false and insulting to the people of this country," Mr. David Ennals, Social Services Secretary, claimed in the Commons yesterday.

He told Mr. Iain Sproat (C. Aberdeen S.) that this would be the finding of an analysis he will shortly produce of the MP's evidence.

Mr. Sproat claimed that the most sensible way to reduce the number of people on supplementary benefit and to reduce the cost of occupational pensions would be to reduce the rate of contribution which means testing people



Sir Geoffrey Howe

The Prime Minister, Mr. James Callaghan, had also taken an optimistic view of the Basic agreement on a safety net for sterling.

This new agreement, combined with the IMF loan, and the firm control we have got on public expenditure, certainly gives us a very healthy start for 1977," he declared.

It was left to the Conservatives to voice doubts about the possible dangers inherent in the agreement, Sir Geoffrey Howe, shadow Chancellor, warned that the foreign currency bond could cost Britain dear if the value of the pound dropped.

The Conservatives, he said, would want to examine some of the details very closely. In particular, he said, he would like to know about the rates of interest likely to be repayable on the

standby credit and on the foreign currency bonds. He agreed that the new package was an improvement on the one negotiated by the previous Labour Government in 1968 as, on the present occasion, there was no guarantee of the exchange value of sterling to future sterling holders.

Dividend control protest

By Philip Rawstorne, Lobby Staff

STRICT DIVIDEND control was having an increasingly damaging effect on the economy, Sir Geoffrey Howe, shadow Chancellor, said yesterday.

"If we continue to throttle the equity market, we should not be surprised if, over the longer term, it declines as a means of investment," he said.

Sir Geoffrey, speaking to a meeting of localists in London, organised by Good Relations City Limited, said that private investors had been hit so hard that they had now practically abdicated from the equity market.

Over the past 15 years, the real value of dividends had declined by 34 per cent. compared with a rise in the real value of employment income of 59 per cent.

Pension fund managers had confined investment in equities to an ever-diminishing pool of large companies and the incentive for institutions to use their influence to improve company management had been blunted.

"The techniques of equity investment analysis have sometimes given way to the currently more rewarding business of speculation in high-yield gilt-edged securities," he added.

Investment income was less and less forthcoming and was being deployed with declining efficiency, Sir Geoffrey declared. There had not been an "investment strike" but an "investment lock-out."

ENTERTAINMENT GUIDE

Table with columns for OPERA & BALLET, THEATRES, CINEMAS, and CLUBS. Lists various venues, times, and showtimes.

Dalyell hits at SNP call

By Richard Evans, Lobby Editor

MR. TAM DALYELL, Labour MP for West Lothian, and Scottish Labour Secretary last night on the call by the Scottish National Party and the breakaway Scottish Labour Party for separate Scottish representation on the European Commission and the Council of Ministers.

Mr. Dalyell, a leading anti-devolutionist MP at Westminster, told the European Left Club at a meeting of localists in London, organised by Good Relations City Limited, that private investors had been hit so hard that they had now practically abdicated from the equity market.

He warned that existing members of the Community would oppose absolutely any proposal for separate Scottish representation as there could then develop demands for equal treatment for Bavaria, Brittany and other regions.

Mr. Dalyell was anxious to get this view across following growing demands for separate representation from SNP MPs at Westminster and from Mr. Jim Sillars, a leading member of the breakaway SLP.

Written Answers

TREASURY
Mr. Bryan Gould (Lab., Southampton Test), Is the Chancellor of the Exchequer satisfied that exported growth will be achieved in 1977, if the exchange rate is allowed to appreciate as forecast by the National Institute for Economic and Social Research in spite of the United Kingdom's continuing higher rate of inflation?
Mr. Denis Davies, Minister of State, For a given rate of domestic inflation an appreciation of the exchange rate in 1977 would reduce the price competitiveness of U.K. exports. There is, however, a long lag between changes in competitiveness and export volumes, so that exports in 1977 will reflect levels of competitiveness during the previous few years. Moreover, the current competitive position is extremely favourable.

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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

DATA PROCESSING

Honeywell raises mini power

IN EXPANDING its minicomputer (Level 6) offerings with the 6/43 and various ancillaries, announced yesterday, Honeywell probably is making the best possible riposte to the IBM "mini" brought out before Christmas.

IBM's Series 1 has been generally presented as a unit for the "sophisticated user," coming with separate pricing for the various constituents and without software. Honeywell, by contrast, is presenting an office package for its minis, which means that any of them can be slotted into an ordinary office environment to do a dedicated or shared job without more ado than selecting the layout and peripherals corresponding to the application. But the equipment is not limited to the office since it is available on OEM terms for installation as part of many types of control devices. In this instance, prices would be around £1,500 for the smallest model in quantities of 50. By contrast, a single large 6/43 could cost around \$75,000.

The operating system devised for the 6/30 and 6/40 machines is described as the third significant advance in program handling since the Level 6 was launched in the U.S. at the

beginning of last year. Disc-based, the GCOS/MDT will support real-time or communications applications in one or more on-line streams and will allow program development to be carried out concurrently. At the same time, the small machines will have the ability to transfer to or accept files from the larger Honeywell machines.

Sort capability, a new report program generator and scientific instruction processor are also provided with upward capability where relevant.

A number of new peripherals have been released simultaneously and it is clear that the company has been devoting a great deal of thought and effort to an area of the market which has been growing between twice and four times as fast as most of the remainder of data processing. Indeed, Honeywell's turnover in minis to 1976 is believed to be something like 25 per cent. up on the figure for 1975.

More from the company on 01-568 9191.

Package for the 2903

PACTEL (PA Computers and Telecommunications), a newly formed consultancy company within PA International Management Consultants, has announced that PACTEL's production and inventory control and cost control package is now available for the ICL 2903, of which there are now over 1500 world-wide.

of programs by PACTEL specialists in collaboration with ICL. It was developed at the request of a PA client, Kudelski, S.A. of Lausanne, Switzerland, a manufacturer of professional tape recording equipment. Implementation of the system at Kudelski started this June and is to be completed by February, 1977.

In the U.K., three installations of ICL 2903 PACS are under way within the Chloride Group, one of which will replace the bureau-operated IBM Priceo system. Work is shortly to start on a fourth installation, for Metal Box where the programs

are to be modified and tailored to run on an ICL 1904S. PACS is an integrated suite of programs which can rapidly be modified to suit the requirements of individual companies. The heart of the system is the data base and its architecture permits rapid access and retrieval of information which is particularly suited to on-line processing.

PACS versions exist for IBM System 3 and 32 and the 360/370 ranges. More on 01-235 6060.

Eases the interface problem

COMPUTER AUTOMATION has announced that it is making available a device called the IEEE Intelligent Cable which will provide a low cost simple means of physically connecting compatible digital instrumentation to their "Naked" computers.

Thus the need is eliminated for an OEM or any other user to design and build his own interface system. The new device complies with IEEE document 488-1975: Standard Digital Interface for Programmable Instrumentation. Provided that the instruments are also compatible, up to 14 of them can be interfaced to any Computer Automation unit, via one Intelligent Cable attached to the company's distributed input/output system.

CA believes that the new device is particularly significant for the European control and instrumentation industry due to the fact that the IEEE specification, already introduced as an industry standard in the U.S., is at the moment under consideration by the IEC and is expected to be adopted by all European countries accepting IEC recommendations and standards. More from Denham Way, Maple Cross, Rickmansworth, Herts WD3 2XD (09237 71211).

COMPONENTS

Unipart for commercial vehicles

COMMERCIAL vehicle workshop hardware suitable for application on imported and domestic vehicles has been introduced by Unipart—the first time the all-UK parts programme has entered the commercial vehicle market.

The 114-strong product range brings together all those nuts, bolts, washers, split pins and grommets, which are so constant workshop use.

During the initial launch period, Unipart is offering a mobile trailer to store the range of commercial vehicle workshop hardware. The range comes packed with plastic, colour-coded bins which can be easily attached to the trailer. Also available are two louvered panels measuring 24.75 in. x 46 in. (610 mm x 1245 mm) which can be wall-mounted or fitted on to shelf rakes.

Unipart has established colour-coded arrangement for the bins to enable practical and systematic identification of each product line.

Leyland Cars, Paris Division, Cowley, Oxford OX4 2PG. (0565) 779941.

METALWORKING

Deburring times slashed

HIGH-SPEED electro-chemical techniques have cut deburring and inspection times by up to 90 per cent. at Borg-Warner's Kenfig, South Wales, automatic transmission plant. It is, of course, essential that there is no metal debris in automatic transmission units, since this could ruin clutch and brakeband faces, as well as seals.

On the torque converter hubs, two 3-in. diameter flanges are drilled to the central boss. Burrs from this drilling must be removed to ensure that a fibre washer, running against the face is not damaged in service.

Hand deburring each part took up to two minutes, with frequent costly quality control checks. Using a highly electro-chemical machine the holes are deburred in eight seconds and no inspection is needed.

The machine is also used to deburr a 22-tooth spline—manual units only—electrically. The chemical: 40 seconds. Used for machine pump drive slots, the Healy unit takes 75 seconds, compared with nine minutes by hand deburring.

More from TI Machine Division, P.O. Box 99, Coventry CV4 9DA (0203 75521).

FINISHING

Painting hydraulic filters

A MACHINE for painting and stoving heavy duty hydraulic filters has been developed by Berridge Engineering for Fairey Filtration, of Heston, Middx.

It can also be used for painting and stoving a variety of other articles within the dimensions 19 inches long by 6 inches diameter and weighing up to 40 lb. at a rate of 180 items/hr. Only one unskilled operator is needed to load unpainted articles.

Basically, the machine comprises a low level conveyor drive, a vertical spindle rotator unit, a spray booth with an hydraulic gun traverse, flash-off tunnel, pre-heat oven, curing oven and cooling tunnel. Automatic carbon dioxide fire extinguishing equipment is fitted throughout the plant.

Total process time is 68 minutes, and the plant measures 34 feet x 13 feet 6 inches x 11 feet 6 inches high.

More from Berridge Engineering, Queens Road East, Beeston, Nottingham (0602 258291).

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disposable, and takes five minutes to change. The machine has a protective wrap-around bumper, and can be fitted with an optional attachment for snow removal. In 15 minutes, another optional attachment converts it to an automatic scrubber, with a 20-gallon detergent feed tank, dual scrub brushes and a rear pick-up brush. The vacuum takes the dirty water to a storage tank.

U.K. marketing is by R. S. Stokvis and Sons, Pool Road, East Molesey, Surrey KT8 0HN (01-841 1212).

MAINTENANCE

Hydraulic factory sweeper

FROM THE U.S. comes the latest Tennant power sweeper. Hydraulically operated, it is intended for tougher than usual applications.

It is powered by a U.K.-built Ford 47.5 hp 4-cylinder water-cooled engine, for silent operation, which can be fuelled by either petrol or LP gas.

The unit sweeps a 53 in. path, covering 103,400 sq. ft./hr., at 5 mph with a 6-in. overlap. Drive is hydraulic. The hopper, holding over 1 ton of debris, is dumped hydraulically. Dust is controlled by a vacuum system with a 71 sq. ft. filter.

The main broom is one piece,



Satellite communication equipment to provide a direct link to the world's telex and telephone network has been installed by International Marine Radio Company (IMRC) on board the Cunard liner QE2 in time for the ship to start a world cruise from New York on January 15. The equip-

ment consists of a telex/telephone terminal in the ship's radio room and an aerial that automatically follows the satellite in geostationary orbit over the North Atlantic. The aerial is housed on the dome, seen here on the right mounted behind the forward mast of the liner.

SAFETY

Detecting North Sea gas leaks

ATTENTION is being focused on means of detecting a build-up of gas escaping from matins before concentrations can reach potentially lethal levels, as a result of the recent explosion at the Department of Energy's move to begin an official enquiry into their causes.

But, as the National Research Development Corporation points out, NRDC has been promoting development and manufacture of gas detecting equipment for several years and, in particular, devices which can be arranged to shut off gas supplies well before the gas/air mixture in the protected area reaches the lower explosive limit. Such equipment can cost as little as £100 and while NRDC is not saying everybody should have one, it does underline the respon-

sibility of hotel operators, office management and safety officers to weigh this level of cost against the possible consequences of any incident.

In the case of Neotronics, the most recent of the detector-building companies to get NRDC support, a number of local authorities have decided to standardise on its detection equipment for installation in gas-fired boiler houses in schools, old people's homes and similar centres. Hampshire and Suffolk are the county councils involved and Wandsworth and Harrogate two of the boroughs.

One of the largest installations is at the Leece centre of the Royal Ordnance Organisation in Garforth where five monitors keep watch over a big boiler house.

The Property Services Agency of the Department of the Environment is specifying the equipment for all Post Office boiler houses. Meanwhile, some 300 units are being supplied for use in unidentified centres both on the postal and telecommunications sides of the PU empire. There have been incidents at three exchanges, it is understood.

In the nature of things these centres are particularly vulnerable to gas leaks because of the great lengths of ducting to which they are connected. They can be affected by leaks occurring miles away. The same is true of computer centres, at least one of which was at considerable risk in recent months.

Midlands Electricity Board has 140 portable monitors so that staff who have to work on substations and junction boxes can verify that the atmosphere within them is safe before they begin their maintenance jobs.

The foregoing could be taken to show that there is a broad move on the part of public utilities and Government Departments most affected to install monitoring equipment as a matter of course. Unfortunately this is not so.

There are too few officials being trained, even though British-designed and manufactured equipment is available at a tiny fraction of the cost of the boiler houses and other centres. It is intended to protect. More from NRDC on 01-828 3400 (attention Mr. Ken Preece), or from Neotronics on 0279 570182.

HANDLING

Air floats letters on their way

THE AUTOMATION division of Ferris and Cie, the French R & D concern, has designed and built for the French Post Office administration a compact prototype unit for mail sorting. This machine, which copes with 10 sorting lines, breaks new ground in its letters handling technique and the structure of the electronic control command system.

Letters are conveyed on air cushions without the assistance of any mechanical systems, switching to the different sorting lines is also carried out by pneumatic units through aerodynamic effects.

The electronic control-command system has been based on microprocessors. The central processor (Intel 8080) which receives only preprocessed information, takes into account the postal code which is printed on the letters in fluorescent bars and the loading of the conveyors. This processor selects the sorting line of each letter and acts upon the sorting speed and the feeding of the machine in func-

tion of the transport speed of the letters and the distance they have to cover.

Bertin is at B. P. Number 3, 78370 Plaisir, France.

MACHINE TOOLS

One step from coil to shell

NOW BEING operated by General Electric in the U.S. is a production line which is making domestic appliance cabinets in a single operation from pre-painted steel coil at rates from 800 to 1,000 shells/hr. The main line was designed and built by the Paxson Machine Co., Ohio.

This company makes a variety of automated coil handling and slitting lines, handling material from 0.05 to 15mm thick, up to 2 metres wide, and in coils weighing from 2,000 to 45,000kg. Output speeds can reach 100 metres/minute on lines processing steel strip 1.6mm thick.

The machines are marketed in the U.K. by Press and Shear Machinery Co., Corporation Road, Park Royal, London NW10 7PT (01-965 3834). It has plans to manufacture this equipment under licence in the U.K.

INSTRUMENTS

Programmed interrupt controller

IN MANY microcomputer applications the rate at which external peripheral devices can be serviced determines how many other tasks can be assigned to the processor and so how cost-effective the system will be.

For the 8080A, Intel has introduced a priority interrupt controller which allows the entire system's interrupt structure to be arranged by the software and to be changed at any time in the course of a program.

The new device is the 8259 and it will handle eight different priority levels. Up to eight of the devices can be used in a system to provide 64 levels of interrupt without additional circuitry.

Control words sent to the 8259 by the CPU under the control of the program determine how it will respond to interrupts: the programmer can select from a number of priority control algorithms which are provided by the 8259. Among the facilities offered is the individual masking of specific interrupt requests. More from Between Towns Road, Cowley, Oxford OX4 3NB (0665 771431).

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LABOUR NEWS

Unions criticise Government rift with NEC

TRADE UNION leaders yesterday warned the Labour Party hierarchy that its shop floor supporters were becoming puzzled and resentful about the conflict between the Left-wing National executive and the Government.

Yorks. pit surface men may strike

SOME KEY mining industry workers in Yorkshire plan to stage a one-day strike to-day to force inclusion of themselves and other surface workers in an early retirement deal being worked out by the National Union of Mineworkers and the National Coal Board.

Building workers want to remain in AUEW

MEMBERS of the engineering union's construction section are executive have expressed their determination to remain part of the Amalgamated Union of Engineering Workers despite the reservations of their general secretary, Mr. John Baldwin.

Rail union chief resigns

MR. DAVID MACKENZIE, 54, has resigned from the general secretaryship of the Transport Salaried Staffs Association because of ill-health.

APPOINTMENTS

R. Weedon joins British Relay as chief executive

Mr. Ron Weedon has been appointed managing director of BRITISH RELAY WIRELESS AND TELEVISION. For the last three years Mr. Weedon was director and general manager of Spectra Rentals.

GMWU adopts flexible line on worker directors

THE LINE-UP of trade unions on industrial democracy has been blurred by the General and Municipal Workers' Union's acceptance that trade union based worker directors could be introduced in two nationalised industries — the British Gas Corporation and shipbuilding.

'Stand and don't deliver' call to all bread van men

THE BREAD DELIVERYMEN'S union is to call a national meeting of delegates on Monday to decide what further action to take on bread prices.

ACAS chief denies report of 'bullying'

THE CHAIRMAN of the Advisory, Conciliation and Arbitration Service, yesterday challenged the National Council of Civil Liberties to produce evidence that ACAS officials had "bullied" women into withdrawing equal pay cases.

Daly decision in five weeks

An industrial tribunal decision on the claim by Mr. Neal Daly, an arbitrator, Labour MP for Derby 3, who was formerly treasurer, becomes acting president.

APPOINTMENTS

Mr. Geoffrey Rover, director of operations for MERCK SHARP AND DOHME, has been appointed to its Board. Mr. G. S. Young has retired from the Board of BIFURCATED ENGINEERING and Mr. A. T. Fletcher has resigned from the Board.

APPOINTMENTS

DIRECTOR-GENERAL Generation Development and Construction

Applications are invited for this key post. The Director-General is head of one of the two design and construction divisions; this one is concerned with the development and construction of new generating stations and its responsibilities cover a wide professional span.

London Representative (Designate) Swaziland Sugar Association. is required progressively to undertake duties of and succeed the present Representative who will retire early in 1978.

COMPANY NOTICES. JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED. An interim dividend of 102 of 40 cents per share in the currency of the Republic of South Africa has been declared in respect of the year ending 30th June 1977.

PUBLIC NOTICES. OUDLEY METROPOLITAN BOROUGH. £250,000 Bills issued 13.7.77 at 15.00% per annum. METROPOLITAN BOROUGH OF SANDWICH. £1.5m. issued 12.1.77 at 15.00% per annum.

Handwritten Arabic text: صكنا من الاعمال

The Management Page

British Rail has a new board structure intended to merge day to day management with overall direction of its affairs. Colin Jones reports

Top executives move onto railways board

WHEN Mr. Peter Parker became chairman of British Rail in September, he had already developed some ideas on the way to manage the railways. He wanted to bring the railways chief executive into the main Board on a permanent basis. He wanted to bring the railways chief executive into the main Board on a permanent basis. He wanted to bring the railways chief executive into the main Board on a permanent basis.

Four senior railwaymen have just become full-time Board members with specific executive responsibilities. Mr. David Bowick, who has only recently moved onto the Board, has become a vice-chairman, while remaining chief executive (railways). To the outsider these appointments may not seem particularly momentous, and they have yet to be followed by other changes lower down the hierarchy. But they effectively mark the end of the two-tier board structure which has run the railways since the beginning of 1970.

Long term policy

Until now the main BR Board has had a mainly non-executive role, concentrating upon policy making and longer-term direction. Responsibility for the management of the railway system as such has been delegated to the railways chief executive and a railways management group of five regional general managers and the executive heads of seven functional headquarters departments.

A similar echelon of chief executives and subsidiary boards has been responsible for the day-to-day running of BR's ancillary businesses, such as hotels, shipping, and the railway workshops.

During the chairmanship of

research. This executive element is balanced by five part-time members — including Mr. Michael Posner who was the Treasury's deputy chief economic advisor till last October.

The third element contains a deputy chairman and two vice-chairmen. Mr. Parker describes these individuals as his "three main dams." Mr. Michael Bosworth, the deputy chairman, retains primary responsibility for corporate planning and investment and is chairman of the shipping and hovercraft subsidiaries. The two vice-chairmen are Mr. David Bowick, the railways chief executive, and Mr. R. L. E. Lawrence, who has been given primary responsibility for BR's export and overseas consultancy activities as well as a number of BR ancillary businesses.

Member for marketing

Mr. Lawrence's responsibility for the railways' overseas earnings has been matched on the domestic side by the appointment of Mr. R. B. Reid, the Southern Region general manager for the last three years, as Board member responsible for marketing. Of the individual changes this is probably the most interesting. Whereas finance, personnel and research have all previously been Board member responsibilities (though, save for finance, without a direct line management responsibility), this is the first time for many years that the BR has included a marketing member. Mr. Parker has considerable respect for the strength of BR's marketing efforts but feels that it can be improved and made more obvious. The chief managers for freight and passenger services — posts which hitherto have carried executive director status and a seat on the railways management group — will now report to Mr. Reid.



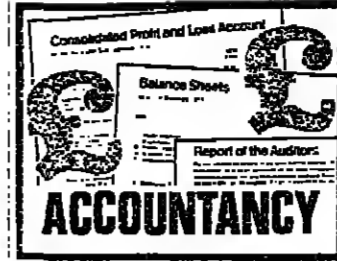
Mr. Peter Parker, chairman of British Rail, with the Board's Marylebone London headquarters in the background.

country. Quite what is the right balance between a marketing, functional, and regional organisational structure has been a matter for endless and still largely unresolved debate. Some railwaymen believe that the changes at the top will bring a subtle change in the role of BR's regional general managers. Until now they have been equal partners with the headquarters executive directors on the railways management group. But some executive directors will now have Board status (with the remainder becoming chief managers). What repercussions this will eventually have on the role and relationships of line and staff management at regional level and below remains to be seen.

Mr. Parker's ideas on organisation may eventually have to take account, too, of whatever emerges from the Billock and Lord inquiries on the possible role of worker directors in public sectors. Mr. Parker and Mr. William Rodgers, the Secretary of State for Transport, are believed to have considered the possibility of appointing a trade unionist to the BR Board (there is statutory room for two more Board members) but no decision has been made. Mr. Parker has given high priority to establishing close consultation with the railway unions and had discussed the changes with them.

Industrial democracy

He has also been exploring with the unions the best way of bringing about a greater measure of "industrial democracy." But whether this will lead to the appointment of an experienced trade unionist (like the most recent union man on the BR Board, Sir Frederick Hayday, who was a national officer of the General and Municipal Workers Union), or of worker directors, or to further developments of joint consultative machinery has yet to emerge.



ALTHOUGH Mr. Douglas Morpeth is most encouraged by the support already expressed for the current cost accounting (CCA) proposals which his steering group published on December 1, it is likely that many problems will have to be overcome before his system is generally acceptable to most U.K. companies.

Those controversial areas to emerge have been predictable. They include the question of how far CCA should be extended to take account of the effects of inflation on money items, the treatment of contract work-in-progress, and the degree of discretion allowed to directors in the new appropriation account.

So far the steering group has not received any significant comments on its proposals which were published in what was called an exposure draft (ED 18). These proposals are scheduled to become the main accounting system of the U.K. starting in 1978 and the lack so far of any major comments suggests that accountants and financial executives in industry, the City, and the professions are still considering the fairly complicated document carefully.

But there is a danger that finance directors and others concerned with producing and using accounting information may leave most of this important debate to the big accounting firms, the City institutions, and a few academics. The professional accountants certainly ought to make a significant contribution to the outcome since they will have to audit accounts and express opinions on the new figures.

Practicable

But it is only the accountants and managers of industry itself who can tell whether the system is practicable, and what changes ought to be made before a definitive accounting standard is issued.

At present opinion varies among senior financial managers in some of the largest British companies about ED 18 and about what their companies should do in their next published accounts, bearing in mind the recent Stock Exchange recommendation that quoted companies should publish a CCA profit and loss account together with the usual figures.

First views on Morpeth system

BY MICHAEL LAFFERTY

fact. This suggests that industry ED 18. Dunlop published fairly convinced about the detailed CCA figures in 1975 and is now preparing to follow the historic cost system and now every detail of the Morpeth recommendations in its next annual report out in May.

Dunlop, like other companies with overseas interests, is worried about the difficulties of preparing CCA accounts in its overseas subsidiaries, particularly in some underdeveloped countries where indices are not easy to find and highly qualified accounting staff is scarce. This seems to be a growing area of concern in industry and the Morpeth group may well have to give revised guidelines on what is acceptable where the desirable is not really possible.

First companies

The first two quoted companies to follow the Morpeth exposure draft are the Worcester-based Redman Heenan International engineering group and the Irish cigarette and tobacco company, P. J. Carroll. The P. J. Carroll accounts are particularly interesting because the company has followed the exposure draft fully, thus providing a textbook example for other companies on how the new profit and loss appropriation account could be used.

Unlike Redman Heenan International, the Irish company states its objectives as far as the continued existence of the company and its shareholders are concerned. The directors' objective is stated as being "to maintain the current value of the shareholders' equity interest in the group at September 30, 1976, at the level which obtained at the beginning of the period, having taken into account (1) the specific inflation which pertained to the assets of the business at the end of the period and (2) the extent to which these assets were financed by shareholders' equity."

On the basis of this objective, the company has taken into its reserves £1.9m. from the profits and gains which it made throughout the year, leaving a net £3.8m. available for distribution. (The CCA profit was £1m. and holding gains totalled £4.7m.) Carroll's finance chief, Mr. Derrick Corbett, has no doubt that this has been worthwhile doing. But he warns that anyone who thinks that preparing CCA accounts will be easy Gardener, the finance director, is enthusiastic about getting on with the job of implementing the comments.

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Currency dealing services

BUSINESS PROBLEMS BY OUR LEGAL STAFF

Redundancy payments

What, please, is the position regarding redundancy payment for salesmen employed for a 12 month period and made redundant because their particular department ran at a loss?

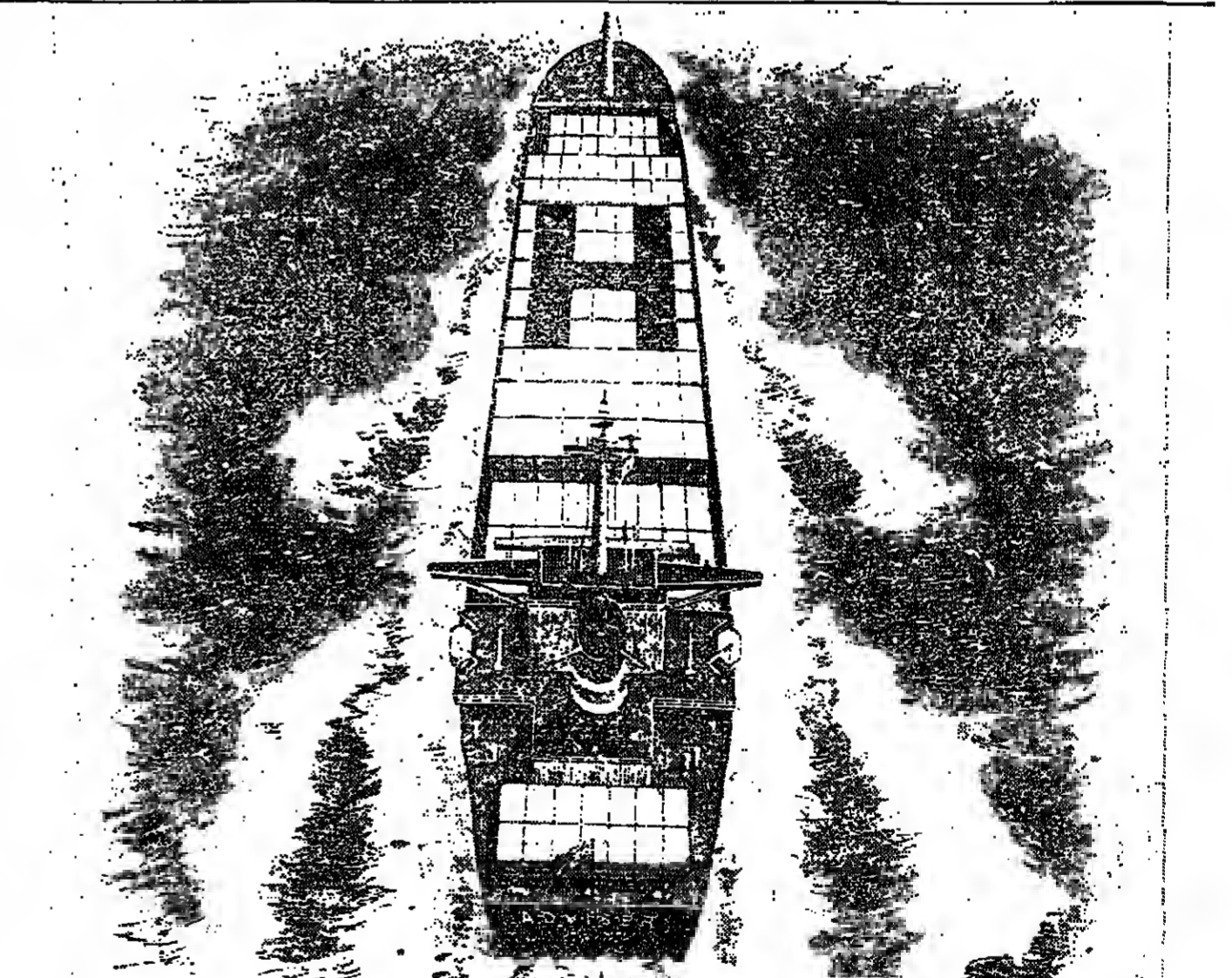
On the facts given by you, the company is not obliged to make redundancy payments. The statutory redundancy payments scheme does not generally cover employees whose period of service was less than 104 weeks. This is a point on which the company's accountants will be able to help.

Struck off the register

I live abroad and for 4 years have not been able to obtain any action from a London firm of accountants to put a company I owned in voluntary liquidation. I received a notice from the Registrar that the company would be struck off the register, though this does not seem to have happened, and I have been told that procedure under section 353 of the Companies Act might be a better way out. Can you please advise me?

The procedure under Section 353 of the Companies Act 1948 is the striking off the Register of a defunct company, and is the process which the Registrar had set in motion by his notice to you. If no response is made to such a notice (or reminders) the company will be struck off. So long as there are no assets left in the company which you wish to realize the simplest course is to tender no further accounts, and to ignore the statutory notices and reminders, when they are sent next year. The company will then be struck off the register and will cease to exist.

No legal responsibility can be accepted by the Financial Times for the insurers given in these columns. All inquiries will be answered by post as soon as possible.



Now, as part of the new CAROL consortium, the Harrison Line contains the Caribbean.

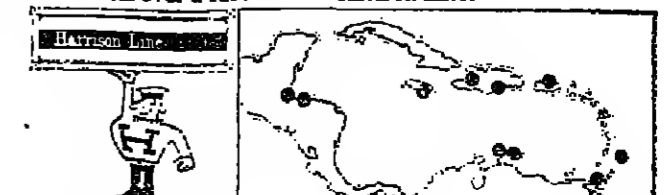
For well over a century, the Harrison Line has prospered by being progressive. Now, as the latest move in its continuous expansion policy, it is participating in CAROL, the new container service consortium that obviates the necessity for container transshipment in the Caribbean by offering direct door-to-door transportation between Europe and the Caribbean for the first time ever.

During 1977, CAROL — short for Caribbean Overseas Lines — will provide frequent and regular sailings of specially built 21-knot container ships from Bremerhaven, Hamburg, Amsterdam, Antwerp, Tilbury, Le Havre and Liverpool direct to as many as 10 Caribbean ports: Bridgetown (Barbados), Port of Spain (Trinidad), Oranjestad (Aruba), Willemstad (Curacao), San Juan (Puerto Rico), Rio Haina (Dominican Republic), Port au Prince (Haiti), Kingston (Jamaica), Santo Tomas de Castilla (Guatemala), and Puerto Cortes (Honduras).

The Harrison Line has, of course, specialised in the Caribbean for decades. So now you can benefit both from its wide, detailed knowledge of the area and from the advantages of containerisation.

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The arrangement to wind up sterling's reserve role is riddled with paradoxes. Anthony Harris analyses the changed scene

Sterling: a new role means new problems



Mr. Harold Lever: advocate of the Basic arrangement.

A long-term measure

THE NEW \$3bn. credit facility which is being made available to this country to finance any further reduction in official reserves is, as Mr. Healey hinted yesterday, largely the result of enlightened self-interest on the part of those governments which are helping to provide it.

Exchange rate

The immediate policy question centres on the level of the exchange rate. The two credits that have now been arranged will do much to restore confidence in sterling.

Rhodesia's future in the balance

THE POSTPONEMENT of the reconvening of the Geneva conference on the future of Rhodesia is neither surprising nor in itself alarming.

Transition

Yet it is equally clear that delay is not neutral in its implications. It offers time for the development of new proposals, for consultation between Salisbury and Pretoria, and for reflection on the consequences of failure.

PLACARD on the A12 since no holder would be happy to lock up his reserves for five years in an uncertain world, however confident he might feel that North Sea oil will look after the final redemption.

The idea that financial markets can over-react in both directions is hardly new, but this is only one of the problems in an arrangement which seems to be riddled with paradoxes.

In financial interdependence: it has simply not been possible to stick to the Government's stated objectives for funding, for interest rates or for the exchange rate in face of a collapse of foreign confidence.

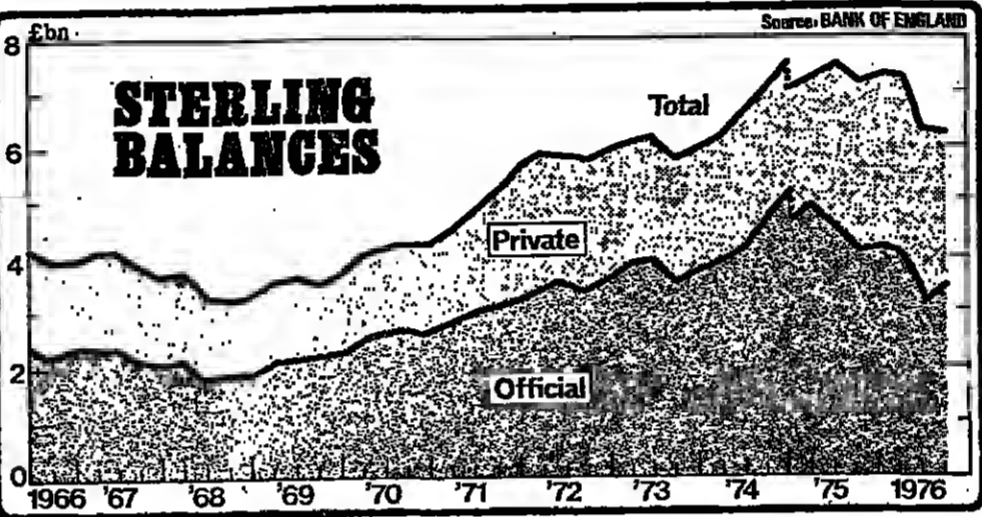
MEN AND MATTERS

Agee's day at the panel

Stunts and celebrities were promised to liven up the picket line outside the Royal Aeronautical Club in Pall Mall yesterday where former CIA man Philip Agee started arguing his case against the deportation order issued by Home Secretary Merlyn Rees.

Language and the EEC

Roy Jenkins, on his first day yesterday as President of the Common Market Commission, may have got former colleagues in Britain a little nettled by remarks like "I do not intend to be a British president, I intend to be a European president."



flows alone would have created grave enough problems last year, even if the official balances had been stable; and commercially, the agreement could make the situation now more unmanageable than it was a year ago.

match any inflow which remains; or the authorities can refuse to meet the demand for sterling, and allow the exchange rate to rise.

Two-tier systems

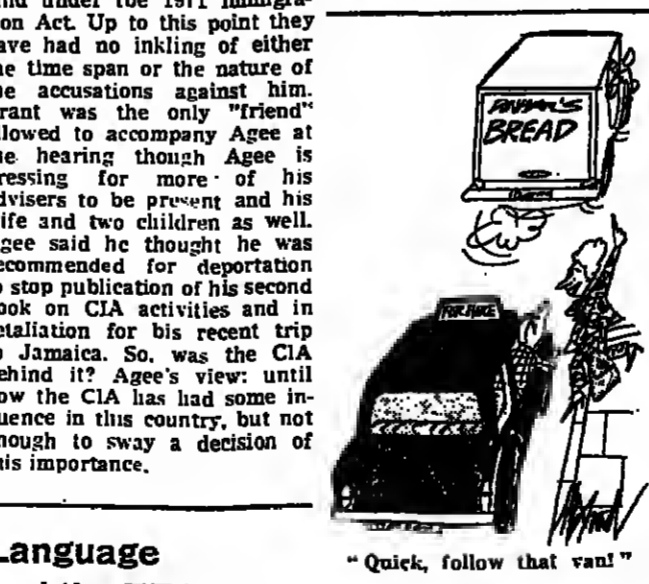
There is plenty of foreign experience to guide them. Other countries have adopted two-tier exchange rates, two-tier interest rates, or the direct discouragement of foreign liquid deposits through banking regulations in a number of ways.

ADVERTISEMENT

BOOKER/KINLOCH PROTEST

The cash offer by Booker McConnell for Kinloch (Provision Merchants) has not been accepted by a large proportion of equity holders, including several institutions (initially over 40%) and the reasons for non-acceptance raise some challenging questions for all concerned.

SIR ROBERT BELLINGER Chairman to October 1975
DOUGLAS A. SCARFF Founder Director
HUBERT J. WILLIAMS Founder Director



"Quick, follow that van!"

BIS again

Once again, a pronouncement from the Bank for International Settlements, founded to handle German reparations after the First World War, proves crucial for Britain's economy.

Sporting

Car sticker in Fulham (where else?): "George is Best forgotten."

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Why the CSO is a diamond's best friend

By KENNETH MARSTON, Mining Editor

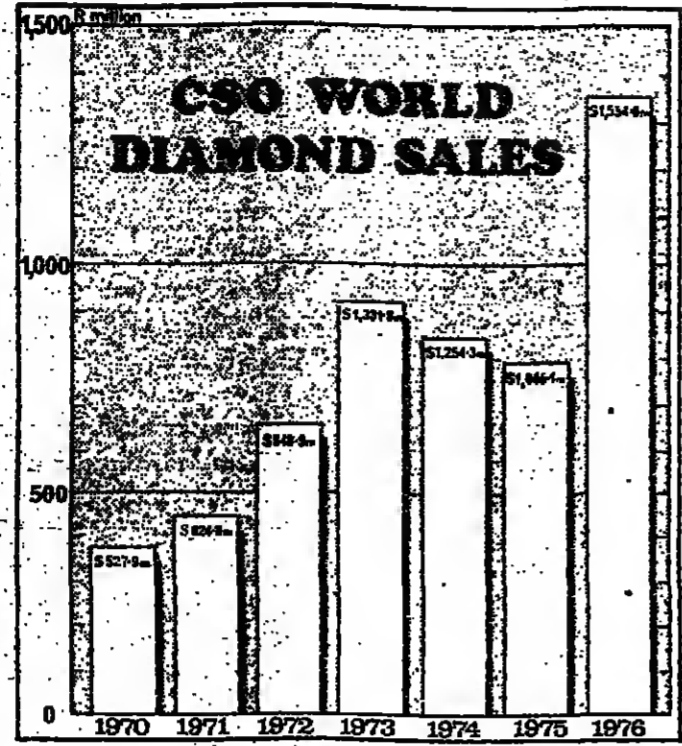
THE eagerly-awaited total value figure for world sales of rough (uncut) diamonds in 1976 has soared to a record \$1,555.5m. (R1,555.5m.) in 1976. Compared with the previous record of \$1,456.4m. (R1,456.4m.) in 1975, it tells a story of confidence triumphing over past difficulties and of a marketing system which matches the very hard-pressed, sharpened and enduring qualities of the diamonds themselves.

It is really a story of gems because although they account for only about 20 per cent. of all newly mined diamonds—the rest being made up of the industrial qualities—the gems contribute some 80 per cent. of the total value. The U.S., Japan and West Germany absorb some 70-75 per cent. of gem sales and the past year's rise reflects an improvement in the economies of these highly industrialised countries.

At the same time, the result was a good deal for De Beers' sales promotional activities of a product which can be regarded as the ultimate in luxury. In recent years the aim has been to broaden the market for diamonds, bringing them into the range of the younger and less affluent buyers.

Sales have increased not only of engagement rings but also of other pieces of diamond jewellery in modern designs. The cutting and polishing industry has been quick to adapt to the wider market. A remarkable growth has been seen in the Israeli industry, in particular, which last year raised its polished diamond exports by almost 30 per cent. to \$711.8m.

There is always a basic demand for diamonds but, as in the case of less glamorous commodities, it fluctuates in line with changing economic conditions.



The difference is that the supply of newly mined rough stones is matched to market demand by De Beers' Central Selling Organisation (CSO). Consequently, sharp swings in the fortunes of the producers and the cutting industry are dampened while the value of the stones themselves is maintained.

The CSO is probably the only really successful and enduring market stabilisation system that has been developed for any commodity. Its concept was evolved in the 1890s during a trade depression when the Kimberley diamond merchants found themselves carrying big stocks which, if released on the market, would have resulted in a collapse of prices.

Although the CSO was



Mr. Anthony Oppenheimer, a director of the Central Selling Organisation, pointing out the features of the Star of Sierra Leone, the world's third largest diamond, found in 1972.

are not permitted to pick and choose. Something over 80 per cent. of the world's rough gem and industrial diamonds is marketed by the CSO which also forms a base price structure. Of the remaining 20 per cent. of world production, that of Ghana, for instance, is sold direct to dealers by that country's State organisation while small merchants market South America's output.

The CSO determines the broad range of prices at which stones are sold to the cutting industry. It also protects the mines by fixing these prices up to 100 per cent. above the price charged by the jewellery trade. In times of poor demand, the CSO has the financial muscle to maintain its purchases from the mines and to hold the surplus production in stock until the eventual market recovery occurs.

its record value of R20.6m. and, indeed, the trend continued in the first half of 1974 when sales amounted to R33.3m. (\$797.8m.).

Then came a sharp reversal. As the cold economic winds began to blow, diamond demand wilted, especially for the larger gem stones. Dealers started to de-stock with the result that in the second-half of 1974 CSO sales dropped to R31.6m. (\$745.4) and the organisation found itself carrying a very expensive baby.

There was no reduction of CSO selling prices, in spite of the fact that in August, 1973, the organisation had instituted a large overall increase of 10.2 per cent. in the prices of rough gem stones. Thus, backed by the CSO, the diamond market was dull, but far from depressed.

The subsequent recovery was anticipated in May, 1975, by Mr. Harry Oppenheimer, chairman of De Beers and the leading figure in the world of diamonds. Speaking in Antwerp he pointed out that: "This is an altogether more stable, more solid business than it was when I started out on it... not a business which one feared was going to disappear from the face of the earth."

He added: "The fact that the market in the smaller diamonds remains sound, even when there is a world-wide depression, shows that through proper marketing and promotional techniques we have succeeded in popularising diamonds into quite different strata of the population of the world."

Indeed, the CSO had cautiously raised its selling prices by an average of 1.55 per cent. at the beginning of the year, a modest increase against the background of world inflation rates. Diamond sales subsequently picked-up and those

of the non-time glut of small gems became strong.

CSO sales for 1975 of R793.5m. were below the previous year's total. But the recovery was shown in the steady increase in the 1975 half-yearly figures over those for the final six months of 1974. Thus encouraged, the CSO lifted gem prices by a further overall 3 per cent. in January, 1976.

The market then gathered steam. At the half-year stage the CSO sales value had reached R682m. or \$784m. Then, in September 1976, came another average price increase of 3.75 per cent. Significantly, it applied to certain categories of the larger gems of over 2 carats, thus confirming hopes that the market for these more expensive diamonds was also picking up.

World production of diamonds, including the important output of the Soviet Union, has been fairly constant in the present decade. In terms of carats there are 142 carats to the ounce; it has been: 1970, 48m.; 1971, 48.6m.; 1972, 49.7m.; 1973, 49.7m.; 1974, 50.14m.; 1975, 49.98m.

Major producers in 1975 were: Zaire, 17m.; Soviet Union 12m.; South Africa 7.8m.; Botswana 2.4m.; Ghana 2.25m.; South West Africa 1.74m.; Sierra Leone, 1.43m.; Angola 0.75m. These figures, however, give no guide to value, since the proportion of expensive gem stones in the small gems and industrial qualities varied from deposit to deposit. In general, however, the proportion of gem stones is relatively small.

In the case of De Beers, the group's open-cut operations on the alluvial deposits along South West Africa's Skeleton Coast yield an abnormally high proportion of gems to industrial. A ratio of about nine to one. At

the Orapa mine in Botswana, however, the gem content is only about 13 per cent. of the total. De Beers' total diamond production in 1975 was 10,78m. carats compared with 11,07m. carats in 1974. Of the group's new capacity, the Letlhakane in Botswana has just reached production.

Meanwhile, annual production capacity of the big Orapa mine in Botswana is to be expanded to 4.5m. carats by the end of 1978; production in 1975 amounted to 2.4m. carats, falling from 2.7m. carats in the previous year owing to a lower recovery grade.

Not surprisingly, diamonds represent the most desired find of any for the exploration teams. By the same token, new discoveries are rare. Can it be that the day might come when demand exceeds supply and, like the troubled International Tin Agreement, the CSO will find itself having to raise prices to what it feels are undesirable levels?

Certainly this would raise greater problems than those of over-supply which have been successfully overcome in the past. Only time will tell, but the world's existing mines are in good shape, the CSO has good stocks and the world is a big place; its surface has been barely scratched by prospecting teams with newer and more efficient methods.

For the foreseeable future, therefore, the CSO should be able to continue its task of maintaining an orderly market in this exotic product. Gauging demand over the next few years would involve the impossible task of correctly estimating the course of the world's economies, but at least it can be said that 1977 is opening on a reasonably confident note for the diamond industry.

Letters to the Editor

The added value concept

From Mr. G. Smith.
Sir—May I thank and congratulate the directors and all other employees at ICI for making a major contribution to the process of thinking positively about Britain's social and economic recovery. By adopting added value (the management page, January 7) and linking their rewards to it they will focus their own and the whole country's attention on our real economic issues.

The economic welfare of man everywhere has always been linked to natural resources or purchased materials whose value has been increased by changing their form and location. The process of adding value has been, and always will be, a combination of people's skill, time and energy in using tools, machinery, buildings or money to create goods and services for customers.

As a natural and material resource become more expensive we must make more efficient use of them and to use our skill to reclaim and reuse them.

North Sea oil will give us just enough time to develop a new use economy and society. This will need to be based on the greatest replaceable natural resource of the country—the skill, time and energy of its people. Their creative ability over the developed and re-used resources is another high productivity economy.

Such reasoning will also focus attention on the fact that added value bought by consumers is the main source of the government's income. Whether it is collected as Customs duty, VAT or Income Tax from individual earners or as social insurance contributions from employers and employees or as company taxes is a matter of mechanics—the source is still the same customer's added value. The Government process is really only one of allocating the value created by others, they create little, if at all, for themselves.

The Green Pound

From Mr. G. McBroom.
Sir—In your leader of January 10 you state that the U.K. enjoys a enormous advantage from the operation of the Green Pound on which we derive a benefit of about £5m. per day in food subsidies paid by other member states. Sir, this is substantially true and almost completely the reverse of the truth.

higher than costs of the same foods from non-EEC countries. It is only by application of the so-called U.K. food subsidies that the net cost of these imports is brought into approximate line with the price of the same foods available from non-EEC countries.

In simple terms, if the EEC will pay £4 towards the cost of every ton of lard the U.K. buys from the EEC, then the EEC lard exporter has an opportunity to increase his prices by the same amount. And he does. The benefit thus goes to the EEC supplier—not the U.K.

If these "subsidies" were to be removed, it is certain that the EEC suppliers' prices would have to fall accordingly. Otherwise, the U.K. food importers would buy from the non-EEC countries who have ample supplies available. It is equally certain that the U.K. housewife could not readily pay the artificially high prices received by EEC producers, and there is no sensible reason why she should.

Opencast coal

From Mr. P. Kreamer.
Sir—One of the more profitable activities of the National Coal Board is opencast coal mining. I understand that production, in recent years around 10m. tons annually, is to be increased to a still modest 15m. tons. Opencast mining is carried out by self-engineering contractors since it is basically a muck-shifting operation.

Since these contractors are going to suffer substantially from the recent Budget cuts in road building, it would seem to be most logical for opencast coal mining to be rapidly and considerably expanded.

The benefit of members

From Mr. R. Colbran.
Sir—Mr. Paterson's December 29th article on the new state pension scheme to a super insurance company. Employers may be tempted by the analogy to pay contributions to the state scheme rather than to occupational pension schemes which might otherwise have been contracted out. Before succumbing to the temptation, however, they could usefully remember the financial principle on which this super insurance company (the Castle scheme) is to be run. In contrast to normal insurance companies which make sure that they have the means to meet their promises, the Castle scheme makes the promises before the means are available. In other words it applies the financial principle of the triumph of Socialist hopes over experience.

Provision for pensions

From the Pensioners Actuary, The Standard Life Assurance Company.
Sir—Mr. Paterson's letter (January 7) might lead one to suppose that an employer who has an insured contracted-out pension scheme can contract in only by buying back into the state scheme using the Government's tables of premiums. These premiums, he rightly points out, will not necessarily correspond to surrender values allowed by insurance companies.

Legislation, however, allows the guaranteed minimum pension (GMP) to be increased to 91 per cent. per annum from the date of a scheme's ceasing to be contracted out until pensionable age instead of being revalued in line with average earnings. Legislation also allows the liability for GMP to be retained in the scheme after it has ceased to be contracted out. Hence an employer with an insured scheme does not have to rely on the safety net provided by the Government's premiums as Mr. Paterson seems to suggest and indeed it is to be expected that insured contracted-out plans will usually contain sufficient resources to provide such GMPs.

Trustee status

From Mr. S. Pennell.
Sir—Mr. D. J. Lewis (December 18) and the housing policy officer of Shelter (January 6) have now both testified in your columns to their support of the 1974 Act. The number of homeless, at a time when accommodation as such is potentially not in short supply, testifies quite adequately to its failure.

Current cost accounting

From Professor D. Myddelton.
Sir—Your headline "P. J. Carroll rises 61 per cent. on CCA basis" (January 8) illustrates one of current cost accounting's disadvantages—that it fails to allow for inflation!

Complacent serfs?

From the Chairman, The Smaller Businesses Association.
Sir—Mr. Adrian Hamilton's interesting article (January 5) about a survey of the relationship between the civil service and business raises, but does not discuss, an issue which is fundamental to our society.

Housing the homeless

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Mortgages and rates

From Mr. J. Knuffmann.
Sir—I should like to thank the secretary-general of the Building Societies Association for his letter (December 31) explaining why I should not be an anguished borrower.

Meaningless words

From Mr. E. Richardson.
Sir—I submit that the words "democratic," "fair" and "socialist" have no meaning today in this country. Any politician, trade unionist or journalist using them should be accused of trying to mislead his audience or readers.

Letters to the Editor

role in industry, as everyone seems to assume it will, then the most important question surely is how can freedom possibly survive. Ever greater intervention by the Government must reduce the areas of decision by businessmen until governmental control is absolute. Indeed, if intervention continues to grow no faster than it has during the last 16 years it is unlikely that there will be any worthwhile economic freedom left before this century is out.

The largest Euroloans

From Mr. W. Loe.
Sir—Tony Hawkins is wrong to claim that the proposed £20m. Euroloan for Venezuela (January 8) will be "the largest such individual loan to the Euro-market's history". In 1974 France borrowed \$1.5bn., while the U.K. raised \$2.5bn.

The benefit of members

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GENERAL

TUC Economic Committee meets. Mr. Anthony Crossland, Foreign Secretary, addresses European Parliament, Luxembourg.

National Union of Mineworkers' executive holds further meeting on early retirement issue.

Treasury issues details of central Government Finance Bill, including borrowing requirement, for December.

Extradition proceedings continue against Mr. Jim Slater and Mr. Richard Trolling, Horseferry Road Court, S.W.1.

Civil Aviation Authority opens two-day discussions on European air fare levels, London.

Organisation for Economic Co-operation and Development two-day meeting on shipbuilding policy ends, Paris.

Mr. Edmund Dell, Trade Secretary, continues talks in Iran.

Chairman of Staffordshire County Council due to appear on corruption charges, Stafford Crown Court.

Sir Robin Gittett, Lord Mayor of London, attends Ironmongers' Company dinner, Ironmongers' Hall, E.C.2.

To-day's Events

House of Commons: Opposition motion on defence. Actions on Double Taxation Relief (Taxes on Income) (United States) Orders.

Select Committee: Expenditure (Environment) sub-committee. 4 p.m. Subject: Planning procedures. Witnesses: Law Society; Councillor Ivor Walker (Camden); Trade and Industry sub-committee. 10.15 a.m. Subject: The Fish and Industry.

OFFICIAL STATISTICS: Housing starts, completions and grants 11 November.

COMPANY RESULTS: Macquodale (full year), Scottish and Newcastle Breweries (half-year).

PARLIAMENTARY BUSINESS

House of Commons: Opposition motion on defence. Actions on Double Taxation Relief (Taxes on Income) (United States) Orders.

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COMPANY NEWS + COMMENT

Intl. Timber jumps to £3.5m. at halfway

INTERCONTINENTAL Timber Corporation has jumped from last year's depressed £1.68m. to £3.5m. but Mr. R. E. Groves, the chairman, says that profits for the second half are unlikely to equal those of the first...

INDEX TO COMPANY HIGHLIGHTS
Company Page Col. Company Page Col.
Bakers Stores 16 8 Jones Stroud 16 3
Bootham Engineers 16 5 Kayser Bondor 17 3
Butterfield-Harvey 16 4 Leaderfish (Doors) 17 1
Headcrest Invests. 16 1 McMullen & Sons 16 1
Hogg Robinson 16 7 Mercantile Credit 17 4
International Timber 16 1 Scottish Homes 17 2
Investors Capital 16 8 Serck 16 4
Johnson-Richards Tiles 16 2 Tollmache & Cobbold 17 1

Johnson Richards downturn
The contribution from associates rose sharply from £230,000 to £239,000 but pre-tax profit of £1.78m. in the half year to September 30, 1976, against £1.84m. at November 30, 1975.

\$2m. seen by Jones Stroud
IN THEIR interim statement, the directors of Jones Stroud (Holdings) are confirming the forecast that profits for the year ending March 31, 1977, will approximate to the £2.07m. achieved in 1976-75, and are looking for over £2m. This would compare with £1.71m. earned in 1975-76.

Bootham stages good second half recovery
FOLLOWING a lower level of activity in the first few months of 1976 the York-based Bootham Engineers Group staged a good recovery in the early summer resulting in a pre-tax profit of £438,257 for the year ended October 31, 1976.

McMullen advances to £1.2m.
AFTER A RISE at half-time from £912,000, the pre-tax profit of Hertford-based brewers, wine and spirit merchants and soft drinks manufacturers McMullen and Sons for the 53 weeks ended October 2, 1976, advanced to £1,196,174, compared with £1,048,232 for the previous year.

£56,750 from Headcrest Investments
Including associates' profits of £54,310 against £69,382, Headcrest Investments reports a group profit of £56,750 in the half year ended June 30, 1976. For the year 1975 the profit was £185,712, including associates' of £138,545, following a first half loss of £49,090.

Investors Capital expands
FOR THE year to November 30, 1976, gross revenue of Investors Capital Trust expanded from £3.53m. to £2.85m., and net revenue available advanced from £54,702 to £707,268.

Ailsa Trust ahead at six months
ON GROSS income up from £239,172 to £239,172, pre-tax revenue of the Ailsa Investment Trust for the six months to November 30, 1976, increased from £195,003 to £240,169.

appear likely to remain so until the end of the year, states Mr. S. Goldstone, chairman, in his interim report.

Butterfield Harvey progress
ON SALES UP from £17.74m. to £19.95m., pre-tax profits of Butterfield-Harvey for the half year to September 30, 1976, advanced from £733,000 to £824,000.

Mr. Ronald Groves, chairman of International Timber Corporation.

Half-year 1976 1975
Sales 12,554 17,742
Share assoc. 112 73
Share profits 152 242
Foreign exchange 250 250
Taxation 488 402

Serck £1.84m. investment plans
Further substantial investment is proposed by Serck in the current year, chairman Mr. R. G. Marlin reports in his annual report. This will amount to £3.5m. for which £2.5m. have been placed and £9.5m. for which no contracts have been placed.

Ward & Goldstone
The work load at Ward and Goldstone is substantial and would appear likely to remain so until the end of the year.

ICI needs more petrochemical profits
ICI PETROCHEMICALS division will need a period of increased profitability to pay for planned expansion in the 1980s, the division's chairman Dr. Rab Teifer, has told employees.

Hogg Robinson up 26% so far

TURNOVER of Hogg Robinson and Robinson was contained in Group improved by 30 per cent to £10.6m. and pre-tax profit was £2.57m., a rise of 26 per cent. For the half year to September 30, 1976, turnover rose from £16,040 to £444,992.

Increase for Baker's Stores
FOR THE year ended September 25, 1976, profits of Baker's Household Stores went ahead by £48,710 to £204,625, after showing an increase of £31,450 in the first half.

1975-76 1974-75
1975-76 1974-75
Profit before tax 2,195,889 1,676,528
Finance income 264,212 254,412
Net profit 94,726 68,511
Dividends 9,203 6,625

Investors Capital expands
FOR THE year to November 30, 1976, gross revenue of Investors Capital Trust expanded from £3.53m. to £2.85m., and net revenue available advanced from £54,702 to £707,268.

OWEN AND ROBINSON
The recovery at York-based Jewellers and silversmiths Owen and Robinson was contained in the half year to November 30, 1976, with pre-tax profits of £19,360 against a loss for the comparable period last year of £16,040.

Yearlings at 13 1/2%
The coupon rate on this week's batch of local loans is 13 1/2 per cent, against 13 per cent last week. The bonds are due on January 13, 1978 and are issued at par.

BP abandons North Sea well
BP has completed and abandoned its well 14/15-2 in the U.K. sector of the North Sea. The rig Sea Conquest is moving to drill a second well in block 3/29 for BP and National Iranian Oil.

Cross report 'in mid-1977'
THE COMMITTEE of inquiry under the chairmanship of Lord Cross into the disciplinary powers of the accountancy bodies is not expected to report before 'at the very earliest' in the middle of 1977, said the Institute of Chartered Accountants yesterday.

PAGE & GWYTHER
The issued share capital of Page and Gwyther has been increased from £340,000 to £1,500,000 and the new capital is £1,160,000.

MID-KENT WATER
Underwriting has been completed for an offer for sale by Cedars of £3m. of Mid Kent Water Company 8 per cent Redeemable Preference Stock, 1982.

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Norwich Union's £1.2bn.
WORLDWIDE new annual premiums of Norwich Union rose by 23 per cent to £5.5bn. in 1976, while the premium business jumped by 94 per cent to £2.1bn.

King & Shaxson
Limited
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General Portfolio Management
Service Index 11.1.77
Portfolio 1 Income Offer 88.56
Portfolio 11 Capital Offer 112.58

Robinson... far... Increase for Baker Stores... Investors Capital expands... Midterm loss at Leaderflush... Mercantile... Zeala

NEWS ANALYSIS - GRAFF DIAMONDS

Attractions of going private

BY JAMES BARTHOLOMEW

The shareholders of Graff Diamonds meet today to consider the offer for their shares by the majority holder, Mr. Laurence... He, like some other chairmen of public companies, has come disillusioned with public life and wishes to go private.

BIDS AND DEALS

New plantation merger terms

New proposals to counter minority Malay opposition to the merger and eventual transfer to Malaysia of Golden Hope, London Asiatic and Pataing, the three "sister" plantation companies in the Harrisons and Crossfield stable, were unveiled yesterday.

MINING NEWS

Diamond sales reach a record R1.35bn.

BY KENNETH MARSTON, MINING EDITOR

ROUGH SALES of rough diamonds marketed by the Central Selling Organisation on behalf of De Beers and other producers in 1976 have advanced to a best-ever value of R1,350m (£1,350m).

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends (unless otherwise stated).

ROUND-UP

The U.S. mining house, Amstar, has declared a dividend of 43.75 cents (23.7%), unchanged from the two previous quarters.

Tollemache better than expected

INTRARY TO mid-term expectations Tollemache and Cobbold Jewellers has beaten its 1974-75 record, with pre-tax profits showing an advance from £336,000 to £390,000 for the year ended September 30, 1976.

UNITED TOWING

Completion has taken place of an agreement under which United Towing has taken over the Klyndyke Stevedoring Co. from the May and Hassel Group.

DRILLING PLAN FROM CANUC

Promising shareholders of the most active and positive year in the company's history, Mr. Fred Joysey, the president of the Canadian uranium explorer, Canuc Mines, disclosed in his annual report that a drilling programme on the Elliot Lake properties will start no later than March.

FAUCON MAKE FORECAST

The Rhodesian gold producer, Falcon Mines, estimates that its operating profit for the current year, to the end of next September, will be R12.5m, 12.5m.

WADHAM STRINGER ACQUISITIONS

Wadham Stringer, the motor dealer, has acquired Righton and Bennett of Gosport, Cedar (R. and E.) of Fareham, both of which are motor dealing businesses and Hampshire Coachworks, also of Fareham, a vehicle body repair company.

MINING BRIEFS

EX-LIBIS NIGERIA—December 1976 production of iron ore, 29 million tonnes, 10,000.

Kaiser Bondor £0.3m. loss at halftime

Kaiser Bondor, a hosiery and lingerie offshoot of Courtaulds, reports a turnaround from a profit of £335,000 to a loss of £299,000 in the six months ended June 30, 1976, on a turnover up from £2,266m to £2,215m.

CHUBB/GROSS CASH REGISTERS

The offer made by Chubb and Gross to acquire Chubb Cash Registers has been extended to January 23, 1977.

STAVELEY SALTER PREF. SHARES

Following Monday's announcement of a £42m takeover of Staveley Industries, the offer of preference shares to acquire all the 300,000 issued £1 6s per cent. cumulative preference shares of the company at 60p each in cash.

APPROACH TO GATEWAY

Gateway Securities, the Bristol-based food retail and cash and carry group, has received an approach which could lead to a takeover bid being made for the company.

SHARE STAKES

S. Pearson and Son has been notified that on October 18, 1976 Cowdry Trust and Dickinson Trust jointly disposed of 63,496 Ordinary shares reversing their holding to 3,522,865 shares.

Scottish Homes pays 0.5p interim

Turnover of Scottish Homes Investment Company was £5.02m for the half year to September 30, 1976, and profit was £95,648. For the previous comparable period the figures were £5.2m and a loss of £484,959 after an £0.2m write-up of investments.

SANGAMO WESTON

Shareholders in Sangamo Weston are to vote today on a Scheme of Arrangement by which Seblumberger is to take over the 99.2 per cent of the company that it does not already own.

ARGYLE SECURITIES

Argyle Securities has sold the whole of the share capital of Webb's Fertilisers to Grassland Holdings.

ASSOCIATE DEALS

Hoare Goret has sold 229,000 Chubb Cash Registers to E. B. Savoury Allen yesterday on behalf of a discretionary investor client 10,000 Ordinary shares at 28½p.

RECENT ISSUES

Table with columns for Issue Name, Price, and Date. Includes entries like Equities, Fixed Interest Stocks, and Rights Offers.

HEPWORTH CERAMIC

Hepworth Ceramic Holdings has begun its US\$45.4m, 19m, 1 tender offer for all the outstanding shares of W. S. Dickey Clay Manufacturer, a subsidiary of the wholly-owned subsidiary, Hepworth Pipes.

GROUP RESULTS

Table showing financial results for various companies, including External Sales, Profit before Taxation, and Earnings per Share.

CONCENTRIC

Salient points from the annual general meeting: Improved profitability of Group, Profits at current rates essential for progress, Increased investment in development.

"RIGHTS" OFFERS

Table listing rights offers for various companies, including the name of the offer, the date, and the price.

ARTAGEN PROPS.

Artagen Properties is to put proposals to holders of its 6 per cent Mortgage Debenture stock in addition, the cash proceeds from the sale of plant and machinery at the Ballito factory to Courtaulds will improve liquidity and support working capital requirements.

Mercantile Credit £7m. profit: no provisions this time

The DIRECTORS of Mercantile Credit have not found it necessary to make further provisions for the year ended September 30, 1976, and the group, therefore, is back to profits at the pre-tax level.

Requesting date usually last day for dealing free of stamp duty. A warning to public figures based on prospectus estimate. Dividend rates and dates are indicated. A forecast dividend cover based on previous year's figures. A forecast dividend cover based on previous year's figures.

December 9, 1976

\$50,000,000



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Unconditionally guaranteed as to payment of principal, premium (if any) and interest by

The Kingdom of Spain

Smith Barney, Harris Upham & Co.

Banco de Bilbao

Bankue Arabe et Internationale d'Investissement (B.A.I.I.)

Caisse des Dépôts et Consignations

Swiss Bank Corporation (Overseas)

Westdeutsche Landesbank Girozentrale

Banca della Svizzera Italiana

Table listing various international banks and financial institutions, including Alabi Bank of Kuwait, Algemeene Bank Nederland, and others.

INTERNATIONAL AND COMPANY NEWS

Mobil raises \$200m. in Euromarket

BY TONY HAWKINS
THE eagerly-awaited return of a Triple-A borrower to the Eurobond market is now in train with the Mobil Oil group raising \$200m. by way of a two-tranche private placing, managed by UBS (Securities).

Montedison negotiates joint companies with Gulf states

BY PAUL BETTS
THE MONTEDISON Group is currently negotiating with the Kuwait and Abu Dhabi governments over the setting up of a joint company in each of the two countries. The Italian group would hold a minority interest, the company reported in Milan.

ABN reorganises in Saudi Arabia

BY MICHAEL VAN OS
ALGEMENE BANK Nederland announced a major reorganisation of its activities in Saudi Arabia which will give the bank considerable scope for further expansion there.

Int. Paper margins hit

BY OUR NEW YORK STAFF
INTERNATIONAL PAPER, the world's largest paper maker, has announced a decreased net income for the fourth quarter of \$46m. compared with the previous year's \$75m.

Investment plans by French companies

BY ROBERT MAUTHNER
CITROEN, now a wholly-owned subsidiary of Peugeot Motor Company, expects to step up its investments to Frs.1bn. (about \$1.25bn.) per year during the next few years.

Temporary halt on Malaysian options

BY WONG SU LONG
A MALAYSIAN broking firm providing the only share option trading service on the Kuala Lumpur exchange temporarily suspended dealings in options following a demand by the government to raise some 3m. Ringgits (£700,000) before it could get a licence under the new securities industries act.

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Handwritten Arabic text at the bottom of the page.

INTERNATIONAL FINANCIAL COMPANIES

Granges plans cut in iron ore production of one third

WILLIAM DUFFORCE STOCKHOLM, Jan. 11. GRANGES, THE Swedish heavy steel group, is planning to cut iron ore production from its Swedish mines by roughly one-third to 3m. tonnes a year. This would return output to the 1968 level and reduce employment at the mines by up to 300 people.

PIRELLI'S RIGHTS ISSUE

Tapping community savings

BY PAUL BETTS, RECENTLY IN MILAN

"WE HAVE NOT been shopping around for Arab petrodollars, and the Arabs have had the good taste not to come looking for us," Sig. Leopoldo Pirelli, chairman of Industrie Pirelli, the Italian operating company of the Dunlop-Pirelli Union, said last week-end, after announcing a capital increase of L200m.

most significant being the decision by Italy's two largest private employers to set independently of the country's political establishment, trying to ensure their medium and long-term profitability and to insulate themselves as much as possible from the country's economic and political problems.



Sig. Leopoldo Pirelli

Industrie Pirelli expects to report an estimated loss of only L20m, compared with a 1975 deficit of L274m. For much of 1976, Pirelli's management has been engaged in the process of production restructuring envisaged by the five-year recovery plan, which aims essentially at diversifying the activities of the company from the traditional tyre and cable sectors to new market areas.

'Conventional'

In so doing, Sig. Pirelli has effectively taken the opposite view to that other giant of Italian private industry, Fiat, whose chairman, Sig. Giovanni Agnelli, at a similar Press conference in Turin last month, announced a deal with Libby. The Fiat operation was 'ingenious, brilliant,' Sig. Pirelli acknowledged, whereas his own was of a more 'conventional' variety.

This promising trend, according to Sig. Pirelli, will be reflected in the 1976 results of Industrie Pirelli, the traditional tyre and cable maker, which has not only managed to reduce its losses but also to increase its profits from 1975. Between 1972 and 1975 Industrie Pirelli accumulated a L200m. (about £20m.) of losses, and once Sig. Pirelli returned to the 1971 since the late sixties. In 1975, agreement with Dunlop that Pirelli SpA increased its control of Industrie Pirelli from 51 per cent to 70 per cent, through the purchase of 19 million shares, however, having come close to break-even in the first half of the 1971 agreement from

Like Fiat, however, Pirelli has had to find the sort of financial resources necessary to activate its recovery plan and its ambitious programme of investments abroad. In the case of Pirelli, a major priority has been to reduce the crippling interest rate burden on some L270m. (about £27m.) of debt accumulated in the 1971 since the late sixties. In 1975, agreement with Dunlop that Pirelli SpA increased its control of Industrie Pirelli from 51 per cent to 70 per cent, through the purchase of 19 million shares, however, having come close to break-even in the first half of the 1971 agreement from

As to Dunlop Holdings increasing its stake in Industrie Pirelli back to the 49 per cent, it once held, it was improbable. 'They have had to put up with our losses for too long. Now I expect they will want to see whether we can maintain our gradual recovery.' On Friday, Sig. Pirelli announced steps to consolidate this recovery. He did so with a certain amount of confidence. It was as if he were saying that Industrie Pirelli, like the 'total mobility tyre' after a puncture, was still motoring on.

Messina sells TV side to FVB

RICHARD ROLFE JOHANNESBURG, Jan. 11. SINA'S decision to sell its African television interests to the Afrikaans-controlled R.S.M. for Messina, which transfers Volksbeleggings group lists back to 50 cents per share (23) has caused a certain amount of surprise in Johannesburg. But the immediate reaction of the stock market has been one of disappointment, although the realised for the TV side, which is higher than could have been expected.

VW plans to increase labour force

WOLFSBURG, Jan. 11. VOLKSWAGENWERK (VW) said it will recruit around 3,000 more workers this year after recruiting 2,300 in 1976 and to resume working special shifts. The continuing favourable situation in the automobile market has led to increased demand for VW models especially at the start of this year.

Uncertainty at Dutch chemical groups

MICHAEL VAN OS ICI Holland managing director Mr. F. A. Koster also expressed some satisfaction about the pharmaceutical and agro-chemical sectors. Pressure on the prices of all products would continue this year from Eastern Europe and the U.S. Although the construction of the large polypropylene project was delayed to start this year, ICI's investment programme was otherwise being phased down. Mr. Koster voiced concern at the extension of planning permit procedures. His company expected this year's sales to rise by about 14-15 per cent.

Sabancı turnover to reach \$1.1bn. by 1978

METIN MUNIR IZMIR, Jan. 11. SABANCI, the largest industrial group of Turkey, is expected to reach a turnover of \$1.1bn. in 1978, nearly double that of 1976. Both the realised and projected increases in turnover are attributed to higher capacity and the opening of new plants. Sabanci is also planning to bank, controlling the Abank among the three leading privately owned banks in Turkey, insurance and numerous industries. These include textiles, plastics, cork, fabric, cement and others.

SELECTED EURODOLLAR BOND PRICES

Table with columns for bond types (STRAIGHTS, CONVERTIBLES), maturities, and prices. Includes entries for U.S. MARK BONDS, American Express, Ashland, etc.

ADELA INVESTMENT COMPANY S.A.

U.S. \$25,000,000 Floating Rate Notes 1983. Notice is given pursuant to Condition 4(e) of the Terms and Conditions of the above-mentioned Notes that the date of Interest (as therein defined) for the Interest Period as therein defined, from 10th January, 1977, to 11th July, 1977, is at the annual rate of 8%.

U.S. \$70,000,000 AB Götaverken

U.S. \$40,000,000 8% Guaranteed Notes due 1982. U.S. \$30,000,000 8 1/4% Guaranteed Bonds due 1985. Guaranteed by the Swedish National Debt Office on behalf of the Kingdom of Sweden.

- List of banks and financial institutions: Alahh Bank of Kuwait, Credit Commercial de France, Merrill Lynch International & Co., etc.

HOGG ROBINSON Interim Report 1976-77

Interim Report 1976-77. The profit for the half year to 30th September 1976 was £2,550,000 showing an increase of 26% over the same period in the previous year. The increase in group turnover during this period was 30%. Insurance Broking turnover amounted to £8,139,000 of which 58% was received in foreign currencies.

Index drops 10 on inflation fears Sterling easier

GOLD MARKET

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Jan. 11

SHARP AND widespread losses developed on Wall Street today, reflecting renewed fears about U.S. inflation.

The Dow Jones Industrial Average dropped 10.23 to 976.45 and the NYSE All Common Index gave way 31 cents to 850.24, while losses hit a record by 1.65-1.42. Trading volume expanded 3.2m. shares to 24.1m.

Heavy selling late in the day was sparked by fears that

TUESDAY'S ACTIVE STOCKS

Stocks closing higher

Occidental Petroleum 63.00
U.S. Industries 38.00
McDonald's 29.90
Atlantic Richfield 38.00
Hartford 42.00
Tosco 28.00
Ford 32.00
General Motors 27.00
Robinson & Co. 17.00
Amcor 10.25

Stocks closing lower

Metaphor fell 4 to 816...
Norris Industries, off 4 1/4...
said it dropped plans to make a \$21.1 share offer for Metros shares.

Fox-Stanley Photo Products were lowered 5/8 to \$9... it decided not to make a repurchase offer for its common shares.

But Inusion Oil and Minerals rose 3/8 to \$52... after forecasting sharply higher earnings.

Kirby Exploration advanced 3/8 to \$21.

OTHER MARKETS

Canada lower

All sectors retreated steadily to close on a note of gloom in Canadian Stock Markets yesterday.

But MacLaren Power "A" moved up 1/2 to 82 1/2.

INDICES

NEW YORK - DOW JONES

Jan 10	Jan 7	Jan 4	Jan 1	High	Low
996.57	988.57	988.15	978.99	976.06	967.87

STANDARDS AND POORS

Jan 10	Jan 7	Jan 4	Jan 1	High	Low
115.51	115.63	115.54	115.01	114.78	113.50

OVERSEAS SHARE INFORMATION

Investment premium based on \$2.60 per £1=118 1/2 (121 1/2)

NEW YORK

Stock	Jan 10	Jan 7	Jan 4	Jan 1
Amor-Lab	46	48 1/2	48 1/2	46 1/2

AMSTERDAM—Broadly lower, with a firm undertone in moderate dealings.

TOKYO—Prices fell heavily on profit-taking prompted by fears margin trading orders may be tightened.

Volume 280m. (340m) shares.

"High-priced" Electricals, Motors and other Blue Chips led widely on liquidation and profit-taking.

Recently selected Resources, anti-Cancer Drugs and Communications also lost ground.

But Seto Stores moved up ¥80 to ¥2310, Nishi Yoko to ¥1600, Chugai Pharmaceutical to ¥1210, Nippon Soda to ¥1770, Nissho Spirit to ¥90, Tokai Denso to ¥1200, Matsuda Machine to ¥770, Tokyo Riki Saisakusho to ¥720, Nishikiya to ¥650, Chugai Kasei to ¥550, Nippon Kasei to ¥550, and Keiun Wharf to 10 cents to ¥180.

BRUSSELS—Mixed to mostly lower in quieter trading.

UK stocks rose slightly, German and Dutch issues were generally small.

American issues were mostly lower, with US and French shares were mixed.

Gold Mines fell on the lower bullion price.

GERMANY—Mixed to slightly lower, after initial weakness was partially reversed on institutional buying.

Utilities were mainly firmer, in particular VW lost D11.50, while VW closed unchanged before news of 1977 recruitment plans to meet higher demand.

Leading Banks, Electricals and Steels were slightly lower.

Public Loans were mixed, with prices moving up to DM400 either way.

The Regulating Authorities bought DM16m nominal of stock. Foreign Bank Loans eased.

Y.T.E. ALL COMMON

Jan 10	Jan 7	Jan 4	Jan 1	High	Low
64.24	64.88	64.78	64.78	64.88	64.24

CANADA

Stock	Jan 10	Jan 7	Jan 4	Jan 1
Alcan	32 1/2	32 1/2	32 1/2	32 1/2

STERLING was very firm at the opening of business in the foreign exchange market yesterday, following the Basis Agreement to make a red facility of \$500m available to the UK to deal with any problems arising from further withdrawals of foreign official sterling balances, but lost ground sharply in the early afternoon as a result of a large selling order from the Continent.

The Bank of England may have taken advantage of this pound's initial rise by intervening to limit currencies to its reserves following similar action in New York on Monday after the London market had closed.

Selling also developed out of New York during the afternoon, and it was suggested that the market was reacting to the pound's previous rise to \$1.74 in the U.K. on Monday and that a similar amount of profit-taking was likely under the present circumstances.



Sterling touched a best level of \$1.739-1.735 in early trading, but declined fairly steadily, before a sharp fall took the rate to a low point of \$1.704-1.705 in the afternoon. It closed at \$1.708-1.709, a fall of only 5 points on the day in London, but a reduction of 1.60 cents from the previous close in New York.

This pound's trade-weighted average depreciation against the Washington Currency Agreement of December, 1971, is calculated at 42.6 per cent in early dealings, but widened to 42.9 per cent at the close of trading on Monday, compared with 43.4 per cent on Monday.

The dollar closed at around the week's level of the day against most major currencies.

Against the Swiss franc, it showed little change overall from the previous day's close.

GOLD MARKET

Gold (London) \$1228.125
Silver (London) \$161.3125
Gold (New York) \$1228.000
Silver (New York) \$161.3125
Gold (Frankfurt) \$1228.000
Silver (Frankfurt) \$161.3125
Gold (Zurich) \$1228.000
Silver (Zurich) \$161.3125

EURO-CURRENCY INTEREST RATES

Bank	Rate
London 12-15	12 1/2
London 18-24	14 1/2
London 3-6	10 1/2
London 12-18	12 1/2
London 24-36	13 1/2

PARIS

Stock	Jan 10	Jan 7	Jan 4	Jan 1
Alcatel	408	408	408	408

MILAN

Stock	Jan 10	Jan 7	Jan 4	Jan 1
Alitalia	420	420	420	420

FOREIGN EXCHANGES

Country	Rate
New York	1.708-1.709
London	1.708-1.709
Frankfurt	1.708-1.709
Zurich	1.708-1.709
Geneva	1.708-1.709
Stockholm	1.708-1.709

EXCHANGE CROSS-RATES

Pair	Rate
London vs New York	1.708-1.709
Paris vs New York	5.48-5.49
Frankfurt vs New York	3.36-3.37

FORWARD RATES

Period	Rate
1 month	1.705
3 months	1.700
6 months	1.695

JOHANNESBURG

Stock	Jan 10	Jan 7	Jan 4	Jan 1
Anglo American	310	310	310	310

TOKYO

Stock	Jan 10	Jan 7	Jan 4	Jan 1
Sumitomo	1800	1800	1800	1800

STOCKHOLM

Stock	Jan 10	Jan 7	Jan 4	Jan 1
Swedish Match	200	200	200	200

COPENHAGEN

Stock	Jan 10	Jan 7	Jan 4	Jan 1
Carlsberg	100	100	100	100

VIENNA

Stock	Jan 10	Jan 7	Jan 4	Jan 1
Bank Austria	200	200	200	200

AMSTERDAM

Stock	Jan 10	Jan 7	Jan 4	Jan 1
Shell	400	400	400	400

FARMING AND RAW MATERIALS

Egg surplus build-up warning

By Peter Bullen
BIG BUILD-UP in Britain's egg laying flock is beginning to alarm the Eggs Authority...

Call for urgent action to aid pig producers

By Peter Bullen
LEADERS of Britain's pigmeat industry met Mr. John Silkin, the Minister of Agriculture...

The report on the results of nearly 150 pig farms, concluded that the immediate future prospects for pig producers look grim...

Steady rise in farmland values

By Our Commodities Editor
THE STEADY increase in prices of farmland in England and Wales, evident over the last eight months...

U.S. coffee boycott campaign spreading

By Richard Mooney
THE NEW YORK State consumer coffee boycott campaign has been widened to include the whole of the U.S.

On the whole, however, producers do not seem very alarmed by the feeling that the campaign will fizzle out before too long...

Steady note at wool auctions

By Our Commodities Staff
EASY PRICES marked the early opening of the wool auctions in Australia and South Africa yesterday...

Sudden advance on sugar market

By John Edwards, Commodities Editor
WORLD SUGAR prices jumped on the London terminal market yesterday, although shedding some of the gains in late trading...

South African fish quota cut

CAPE TOWN, Jan. 11. THE SOUTH AFRICAN pelagic fishing quota for the season, which began on January 1, has been cut to 380,000 tonnes...

U.S. to survey wheat crops by satellite

THE U.S. plans to begin a satellite survey of eight major wheat-producing nations each year starting in 1977...

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Bolivian tin smelting expansion

By David White
BOLIVIA HAS announced ambitious plans to smelt all its tin concentrate output by 1978...

In addition, another plant is to be built, with production starting in early 1979 to smelt 10,000 tonnes a year...

£'s fall rallies metals

By Our Commodities Staff
THE SUDDEN FALL in the value of sterling yesterday after a day of rising interest rates...

Tin shrugged off another rise in the Penang market yesterday, but rallied lower before rallying later when the £ went down...

BASE METALS table with columns for Metal, Price, and Change. Includes Copper, Zinc, Lead, Tin, Nickel, and Silver.

COMMODITY MARKET REPORTS AND PRICES table with columns for Commodity, Price, and Change. Includes Wheat, Soyabean Meal, and various oils.

PRICE CHANGES table with columns for Commodity, Price, and Change. Lists various metal and commodity price adjustments.

U.S. Markets table with columns for Market, Price, and Change. Focuses on coffee and cotton prices.

Victor Britain style advertisement featuring a car and text: 'Everybody deserves to travel Victor Britain style sometimes. Just give us a call. Whenever you want us, we'll be ready with a fine new limousine and a chauffeur.'

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STOCK EXCHANGE REPORT

Short Gilts feature but equity leaders turn easier
Share index down 5 points at 358.6—Golds lower again

Account Dealing Dates

Optimism
First Declared Last Account
Dealings... Dec. 13 Dec. 29 Dec. 31 Jan. 12
Jan. 4 Jan. 13 Jan. 20 Jan. 27
Jan. 27 Jan. 27 Jan. 28 Feb. 8
New time deals made since
from 9.30 a.m. two business days earlier.

very near to the day's highest
with rises extending to 10
although the low-coupon funding
31 per cent. 1975-80, advanced
to 12.5. Switching to the
mediums added to the late re-
actionary trend in the longs,
which was described as a natural
movement after the recent
agreement on the sterling
balances safeguard was of course
a supporting market factor.

Forbes gave up 6 to 285p

small selling in an unwilling
market. BSR stood out with a
fall of 10 to 95p, while those of
3 were seen in Gosnell Electric,
196p, and Reynolds Parsons, 234p.
Thorn Electrical "A" with interim
figures expected on Friday, eased
4 to 285p. Current influences
lowered Phillips Lamp 10 to 90p,
while BICC 89p and EMF, 224p,
gave up 4 and 5 respectively.
Other dull spots included Royal
Electrochemical, 4 1/2 to 235p,
Ultra Electronics, 28p, 20p,
Against the trend, Jones Street
moved up 4 to 54p on the im-
proved first-half profits.

Elctricals drifted lower

closed 2 cheaper. Needlers eased
11 more to 14p on further con-
sideration of the forest loss. Of
the few firm spots, Goldring
Fouard and Amos Hinton put on
2 to 21p and 43p respectively.
To Supermarkets, Gateway
Securities A featured late with a
jump of 11 to 48p on the com-
pany's announcement that an
approach has been made which
might lead to an offer. Tesco
traded with a fall of 11 to 35p.

Misc. leaders easier

The Miscellaneous Industrial
majors surrendered early gains
and fell back 4 down to
374p as against 382p initially.
Bower gave up 4 to 190p, after
180p, Reckitt and Colman receded
7 to 53p and PUKINGTON Bros.
declined 3 to 28p. Secondary
issues were also inclined easier,
largely on profit-taking after the
recent strong advance. Firm of
late on North Sea oil speculation,
Mall Orders was quiet at 335p,
while Charles Hill of Bristol lost
10 to 87p. Robert McBride eased
7 to 167p and Fosco Mincep
receded 5 to 132p. De La Rue,
a 1977 investment recommendation,
lost 7 to 355p. Whatman
Reeve Angel, however, improved
3 to a peak of 187p on renewed
interest in the ship market and
Hoekins and Horton and British
Chemicalograph both improved
4 to 83p and 30p respectively. Siebe
Gammings added 7 to 123p, and
Press comment on the interim
figures left RFD a penny up at
33p.

Still reflecting favourable com.

ment. Warren added 2 to 105p,
while gains of 4 and 5 respec-
tively were recorded in Rno,
Estates, 50p, and Blantyre, 195p.

FINANCIAL TIMES STOCK INDICES

Table with columns for Jan 11, Jan 10, Jan 9, Jan 8, Jan 7, Jan 6, Jan 5, Jan 4, Jan 3, Jan 2, Jan 1, 1976, and Year Ago. Rows include Government Secs, Fixed Interest, Industrial Ordinary, Gold Mines, and various equities like Shell, British Petroleum, and ICI.

HIGHS AND LOWS

Table with columns for High, Low, and S.E. ACTIVITY. Rows include Govt. Secs, Fixed Int., Ind. Ord., and Gold Mines.

Union Discount higher

The big four banks displayed
some resilience to the general
easier trend with sentiment
helped by a broker's circular.
Barclays added 3 to 285p as did
National Westminster to 295p,
while Midland were a penny
better at 265p. Lloyds touched
295p but closed unaltered at 215p.
Overseas issues on the other
hand, turned lower. ANZ re-
ceded 10 to 310p and Hongkong
and Shanghai lost 7 to 385p. Up
10 on Monday, Union continued
its recovery to 413 1/2 on safety
discounts, rising 7 more to 337p;
the results are due next Wednes-
day. Merchant Banks paraded
several casualties which included
Chamberlain, 7 1/2 to 135p, and
Kleinwortz Benson 6 lower at
82p. News that Mr. L. S. Dyer, of
Lloyds Bank, will succeed Mr.
M. R. Denton as managing direc-
tor of the company in April
brought no response in first
trading. National Finance which
closed unaltered at a penny; the
interim results are due to be
announced on Friday.
Hogg Robinson featured dull
insurance, falling 13 to 125p on
disappointment with the first-half
profits performance. Sedwick

Foodstuffs drifted lower

with Scotch and Newcastle closing
3 to 49p in front of 10-day's
interim results. Bass Chatterton
lost 2 to 92p. Elsewhere, Dis-
tillers eased 2 to 124p, but H. P.
Butler edged forward a penny to
99p with the help of Press
comment on the general easier
trend. Buildings closed with the
occasional firm spot following
Press comment on a broker's
circular. Travels and Arnold were
prominent with a rise of 8 to 95p,
after 83p, while gains of 4 were
seen in BPP Industries, 115p, and
DCC 88p. SGR moved up 3 to
61p on further consideration of
the results, while Scotch Homes
investment closed a penny higher
at 91p on the first-half return to
the 45p, after 42p, on the
interim report. Leaderfish shed
a penny to 10p on the increased
trading deficit, while H. A. and R.
Johnson Richards Times eased 2
to 148p on the first-half profits
forecast. ICI, the day's most active
stock, touched 356p in the early
trading before reacting to close 8
higher on balance at 347p. Fisons lost
3 to 297p and Albright and Wilson
7 to 78p. Reflecting dollar pre-
mium weakness, Norsk Hydro
eased 11 points to 242.

Shares closed with a sprinkling

of small falls following a light
trade. Marks and Spencer were
initially 2 cheaper at 90p, after
100p. Bakers' Stores finished
without alteration at 20p follow-
ing the preliminary figures, while
Allied Retailers edged up 2 to 84p
and Wades "A" improved 4 to 92p.
Mall Orders were quiet at 335p,
while Charles Hill of Bristol lost
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Short Gilts strong

The remarkable upsurge in
Gilts-edged continued yesterday
with the emphasis switching gradu-
ally to short-dated maturities; the
longs rose a point initially in re-
sponse to more forceful buying
but progressively relinquished the
gains to close little changed on
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F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Large table with columns for EQUITY GROUPS, Tuesday, January 11, 1977, and various stock indices like CAPTION GOODS, BUILDING MATERIALS, etc.

U.S. trends upset BP

British Petroleum were un-
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trends as well as local profit-
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Active Stocks

Table with columns for Denomina-
tion, Closing price, Change, etc. for various stocks.

New Highs and Lows for 1976/77

Table with columns for Stock Name, High, Low, etc.

Option Report—3-month Call rates

OPTION DEALING DATES
First Last
Deal Deal-
ings Decla-
ngs ions Settle-
ment ment
Jan. 12 Jan. 24
Jan. 25 Feb. 7
Jan. 26 Feb. 14
Jan. 27 Feb. 21

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Jan. 25 Feb. 7
Jan. 26 Feb. 14
Jan. 27 Feb. 21

Rises and Falls

Table with columns for Stock Name, Up, Down, Same.

Base Lending Rates

Table with columns for Bank Name, Rate.

Money Market

Bank of England Minimum
Lending Rate 14 per cent.
(since January 7, 1977)
The authorities gave a further
signal on interest rates to the
London money market yesterday
when they cut in Minimum Lending
Rate for seven days at Bank of England
Minimum Lending Rate to 10 or
11 discount houses and this was
intended to convey the message
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Rate will not be welcomed at
this week's Treasury bill tender.
Day-to-day credit was in very

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Day-to-day credit was in very

Further signal on MLR

the previous day's official
advances to the market.
Discount houses paid around
14 per cent. for secured call loans
in the early part and closing
balances were taken at 12-13 1/2
per cent.
In the interbank market over-
night loans opened at 13-14 1/2
per cent. and eased to 14-14 1/2
per cent. before closing at around 10
per cent.
Rates in the table below are
nominal in some cases.

Table with columns for Term, Rate, etc. for various financial instruments.

CORAL INDEX

Table with columns for Stock Name, Index Value.

Insurance Base Rates

Table with columns for Property Growth, Cannon Insurance, etc.

AUTHORISED UNIT TRUSTS

Unit Tr. Mgrs. Ltd. (a/g)	Bridge Fund Managers (a/c)	Discretionary Unit Fund Managers	Hill Samuel Unit Tr. Mgrs. (a)	M & G Group (a/c)	NEL Trust Managers Ltd. (a/c)	Save & Prosper Group	Target Tr. Mgrs. Ltd. (a/g)
Capitol 01-298491 Capitol Unit Fund Capital Income Div. Pd. 2.00 Gen. Tr. 1.00	Bridge Fund Managers (a/c) 01-430483 Bridge Fund Capital Income Div. Pd. 2.00 Gen. Tr. 1.00	Discretionary Unit Fund Managers 01-430483 Discretionary Capital Income Div. Pd. 2.00 Gen. Tr. 1.00	Hill Samuel Unit Tr. Mgrs. (a) 01-298491 Hill Samuel Capital Income Div. Pd. 2.00 Gen. Tr. 1.00	M & G Group (a/c) 01-298491 M & G Capital Income Div. Pd. 2.00 Gen. Tr. 1.00	NEL Trust Managers Ltd. (a/c) 01-298491 NEL Trust Capital Income Div. Pd. 2.00 Gen. Tr. 1.00	Save & Prosper Group 01-298491 Save & Prosper Capital Income Div. Pd. 2.00 Gen. Tr. 1.00	Target Tr. Mgrs. Ltd. (a/g) 01-298491 Target Tr. Capital Income Div. Pd. 2.00 Gen. Tr. 1.00

REGIONAL MARKETS

selection of the shares previously shown under regional headings is listed below with quotations on London, Irish, stocks, and with prices as on the Irish Stock Exchange.

Share	Price
Almex	32
Almex 24	32
Almex 25	32
Almex 26	32
Almex 27	32
Almex 28	32
Almex 29	32
Almex 30	32
Almex 31	32
Almex 32	32
Almex 33	32
Almex 34	32
Almex 35	32
Almex 36	32
Almex 37	32
Almex 38	32
Almex 39	32
Almex 40	32
Almex 41	32
Almex 42	32
Almex 43	32
Almex 44	32
Almex 45	32
Almex 46	32
Almex 47	32
Almex 48	32
Almex 49	32
Almex 50	32

MESSAGE TO MANCHESTER

If you live in or around Manchester you can now phone a local number for the Financial Times Index and Business News Summary - which includes foreign exchanges, equities, sold by any of the other commodities.

Whatever your interest - you can now call **0651 246 8026**

INSURANCE, PROPERTY, BONDS

Company	Policy	Price
Abbey Life Assurance Co. Ltd.	Life	100
City of Westminster Assur. Co.	Life	100
Hambro Life Assurance Limited	Life	100
Lloyds Life Assurance	Life	100
Prop. Equity & Life Ass. Co. (a/c)	Life	100
Slater Walker Insurance Co. Ltd.	Life	100
Abbey Life Assurance Co. Ltd.	Life	100
City of Westminster Assur. Co.	Life	100
Hambro Life Assurance Limited	Life	100
Lloyds Life Assurance	Life	100
Prop. Equity & Life Ass. Co. (a/c)	Life	100
Slater Walker Insurance Co. Ltd.	Life	100

Ironmarkets Survey

Despite the continuing concern over country risks, banks have turned to search aggressively for new business. Articles in this survey show how spreads have come under pressure, how banks are continuing to search for better ways of assessing foreign risks and why they are venturing into the markets as never increasingly on their own account. Frankfurt, Zurich and Manila are selected for examination as three of this year's most interesting financial centres.

Monetist Manifesto

Monetarist economists can agree among themselves on at least a few basic principles. They are unlikely to convince others, argue monetarists, until they have a more coherent and greater cohesiveness for the individual.

Power in the Modern Economy

As the world's power economy builds up in time prompt reaction will help to bring back increased competition and greater response for the individual.

Monetarist Manifesto

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Offshore and Overseas Funds

Fund Name	Manager	Policy	Price
Arbuthnot Securities (C.I.) Limited	Arbuthnot	Life	100
Charterhouse Jebet	Jebet	Life	100
City of Westminster Assur. Co. Ltd.	City of Westminster	Life	100
General Portfolio Life Ins. Co. Ltd.	General Portfolio	Life	100
Guinness Life Assurance Co. Ltd.	Guinness	Life	100
Hill Samuel Unit Tr. Mgrs. (a)	Hill Samuel	Life	100
King & Shaxton Mgrs. (a/c)	King & Shaxton	Life	100
London & Lancashire Assur. Co. Ltd.	London & Lancashire	Life	100
Manx Life Assurance Co. Ltd.	Manx Life	Life	100
Mercantile Investors Assurance Co. Ltd.	Mercantile Investors	Life	100
NEL Pension Ltd.	NEL Pension	Life	100
New Court Property Fund Mgrs. Ltd.	New Court	Life	100
Northwich Union Insurance Group	Northwich Union	Life	100
Phoenicia Assurance Co. Ltd.	Phoenicia Assurance	Life	100
Provincial Life Assurance Co. Ltd.	Provincial Life	Life	100
Save & Prosper International	Save & Prosper	Life	100
Seaboard Finance Ltd.	Seaboard Finance	Life	100
Shelburne Intnl. Fd. Mgrs.	Shelburne Intnl.	Life	100
Taylor & Francis Intnl. Fd. Mgrs. Ltd.	Taylor & Francis	Life	100
Trusts Int'l. Fd. Mgrs. Ltd.	Trusts Int'l.	Life	100
Wellington Int'l. Fd. Mgrs. Ltd.	Wellington Int'l.	Life	100
Worldwide Int'l. Fd. Mgrs. Ltd.	Worldwide Int'l.	Life	100

Notes

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City of Westminster Assur. Co.	Life	100
Hambro Life Assurance Limited	Life	100
Lloyds Life Assurance	Life	100
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Slater Walker Insurance Co. Ltd.	Life	100
Abbey Life Assurance Co. Ltd.	Life	100
City of Westminster Assur. Co.	Life	100
Hambro Life Assurance Limited	Life	100
Lloyds Life Assurance	Life	100
Prop. Equity & Life Ass. Co. (a/c)	Life	100
Slater Walker Insurance Co. Ltd.	Life	100

INDUSTRIALS—Continued

Table of industrial stock prices including companies like British Petroleum, ICI, and various engineering firms.

INSURANCE

Table of insurance stock prices including companies like British Insurance, Commercial Union, and others.

PROPERTY—Continued

Table of property stock prices including companies like British Land, Commercial Union, and others.

TRUSTS—Continued

Table of trusts stock prices including companies like British Trustee, Commercial Union, and others.

TRUSTS—Continued

Table of trusts stock prices including companies like British Trustee, Commercial Union, and others.

DAIWA SECURITIES logo and company information.

MINES—Continued

Table of mine stock prices including companies like Anglo American, De Beers, and various international mining firms.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stock prices.

Commercial Vehicles

Table of commercial vehicle stock prices.

Components

Table of component stock prices.

Garages and Distributors

Table of garage and distributor stock prices.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stock prices.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stock prices.

PROPERTY

Table of property stock prices.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stock prices.

TOBACCO

Table of tobacco stock prices.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stock prices.

Investment Trusts

Table of investment trusts stock prices.

SHIPBUILDERS, REPAIRERS

Table of shipbuilders and repairers stock prices.

SHIPPING

Table of shipping stock prices.

SOUTH AFRICANS

Table of South African stock prices.

SHOES AND LEATHER

Table of shoes and leather stock prices.

TEXTILES

Table of textiles stock prices.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stock prices.

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Brussels blocks U.K. aid to automation industry

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

FOR THE first time, one of the Government's £20m-£25m. industry aid schemes is being blocked by the European Commission.

The Commission's objection to the proposed £25m. scheme for instruments and automation is understood to be that key parts of it would distort the pattern of European trade.

A formal objection, based on Article 93 of the Treaty of Rome, will appear soon in the Community's official journal.

All the Government's industry aid schemes have had to go to Brussels for approval, and several underwent minor changes after informal discussions between the Commission and the Department of Industry.

Crosland confirms Geneva delay

By Martin Dixon

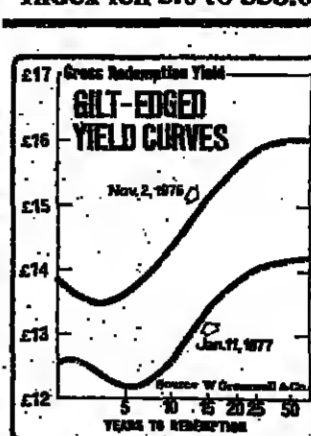
THE GOVERNMENT yesterday confirmed that the Geneva conference on Rhodesia will not resume next Monday as originally scheduled, because of the slow progress of Mr. Ivor Richard's southern African diplomatic "shortie".

Three sisters back at the altar

THE LEX COLUMN

HARRISONS and Crosland have wasted little time formulating new marriage plans for the "three sisters" following Genting Highlands blocking of the original scheme on Monday.

Index fell 5.0 to 358.6



all other creditors and defer the interest - turning it into something which is much more like equity. The co-operative believes that it can extend the life of its existing product range for some time to come.

What it needs to do now is convince an independent banker about these prospects. With £21m. of fixed assets, no short-term debt - and Mr. Lever - that ought not to be an impossible task.

Intl. Timber

The interim statement from International Timber shows profits of £3.85m before tax compared with £0.9m for the whole of the year to March 1976.

Demand remains low with sales for the half year just 9 per cent up on the preceding six months despite a rise of well over two-fifths in the price of softwood since January 1976.

The group reckons that softwood consumption could fall by 10 per cent in 1977, and at present something like two-thirds of its overall profits still depends on demand from the housebuilders.

Profits overall in 1976-77 should top £6m. pre-tax which puts the shares at 74p on prospective p/e of around 31. International has the worst short-term profits record among the major companies in the sector. But both its yield (13 per cent) and earnings multiple are right in line with the average.

State industries form joint exporting group

BY ROY HODSON

SIXTEEN OF Britain's leading nationalised industries have joined forces to win overseas contracts. They intend to use the recently-formed Nationalised Industries Overseas Group as a vehicle to market their products in such specialisations as coal, steelmaking, gas and electricity generation and supply, transportation, communications, and aviation.

The intention is that future efforts should be co-ordinated more closely. The secretariat of the group, which is being based initially at the British Steel headquarters, will act as a clearing house for information about overseas projects that one or more nationalised industries are bidding for.

Details of secured overseas contracts will also be exchanged with a view to various aspects of the work being shared among the nationalised industries. Efforts will be concentrated on four main business areas: direct exporting, overseas consultancy and project management, the setting up of "turnkey" projects by consortia of nationalised and private sector organisations; and standardisation of orders as far as possible to cut prices and delivery times.

It is still not clear whether Mr. Richard will be able to find sufficient common ground between the Rhodesian Government and the Nationalists to give him the "good prospect of success" needed to justify a return to Geneva. Despite his efforts the gulf between the blacks and whites appears as wide as ever and a resumption of the conference will depend considerably on the pressure exerted by the so-called front-line African States on the Nationalists and by Mr. John Vorster, the South African Prime Minister, on the Rhodesian Government.

Mr. Richard yesterday received a considerable filip when President Julius Nyerere of Tanzania, speaking for the front-line Presidents, assured him that the guerrilla war in Rhodesia would end as soon as a majority interim Government was established in Salisbury, preparatory to independence.

Meeting to resolve Bevan dispute

By Rupert Cornwell, Lobby Staff

LABOUR OFFICIALS succeeded last night in arranging a meeting to try to resolve the deadlock between the party and its agents over the appointment of Mr. Andy Bevan as national youth officer. The move followed a day of chaos at Transport House.

U.S. pay-off charge names BP

BY STEWART FLEMING

NEW YORK, Jan. 11.

BRITISH PETROLEUM has been named in a complaint about illegal pay-offs in Saudi Arabia filed by the U.S. Securities and Exchange Commission with a U.S. district court.

The complaint says that a BP subsidiary, Scientific Control Systems (Scienc), acted in 1972 as a sub-contractor to a U.S. company named American Hospital Supply during the building of a hospital in Riyadh, Saudi Arabia.

It has agreed, however, to an injunction barring it from making false reports to the Committee and from making illegal payments. It has also agreed to file a report with the commission after its audit committee completes an investigation into the case.

Weather

U.K. TO-DAY: COLD with wintry showers. London, E. and Cent. England. Freezing fog patches followed by bright periods. Mainly dry. Winds light and variable. Max. 2C (36F).

Advertisement for WoodGreen N22 and Harrow on the Hill, featuring office space for sale and rental, and air-conditioned office buildings.

French-Arab arms deal

\$1,043m. put up by Saudi Arabia, Qatar, the United Arab Emirates and Egypt. The decision by the higher committee will be discussed by the full Board of the Organisation, which meets in Cairo next week.

At least the deal should not affect straightforward sales or maintenance contracts by British companies on a bilateral basis with Egypt and may not exclude a U.K. role which the Saudis, the main paymasters for the project would probably want anyway.

Plan to cut pound's role

term credits from the central banks. The timing of the repayments is clearly geared to the prospect of the U.K. income from North Sea oil providing the necessary funds to repay any debts incurred.

It is hoped that as a result the Bank of International Settlements should be able to handle the bulk of any call money by the U.K. from its own resources, and that it should therefore not be necessary to call on any substantial scale for the support

Continued from Page 1

rest rates related to market levels. Mr. Healey said that the rate of interest on the bonds would be roughly half the rate for existing sterling deposits.

Table with columns for 'Y-day', 'Mid-day', and 'Y-day' listing various cities and their weather conditions.

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